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poverty profile **1985**

a report by the
national council of welfare

october 1985

Canada

POVERTY PROFILE

1985

October 1985



Government
of Canada

Gouvernement
du Canada

National Council
of Welfare

Conseil national
du Bien-être social

Copies of this publication may be obtained from:
National Council of Welfare
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Également disponible en français sous le titre:
Profil de la pauvreté - 1985

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Cat. No. H67-1/4-1985E
ISBN 0-662-14361-2



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INTRODUCTION

Poverty in Canada declined substantially during the 'seventies. In 1969, 4,851,000 men, women and children - close to a quarter of the population - were poor. By 1981, the number of Canadians with incomes below the poverty line had dropped to 3,495,000 or less than 15 percent of the population.

However poverty is on the increase in the 'eighties. The recession, with its double-digit jobless rates, clearly has taken its toll. The most recent figures, for 1984, show that 4,349,000 Canadians live below the poverty line - a marked increase of 874,000 in just four years.

For the fourth year in a row, family poverty has gone up. There were over one million Canadian families with low incomes in 1984 - 262,000 more than in 1980. Family poverty doubled in Alberta between 1981 and 1984, and British Columbia and Newfoundland also have experienced large increases. Younger families - those with heads under age 44 - are facing considerably worse odds. It is no coincidence that the unemployment rate rose significantly during the same period in Alberta, British Columbia and Newfoundland, as well as for families.

Certain groups are particularly vulnerable to poverty. Half of one-parent families headed by women are poor. Four in ten unattached women (those who live alone or with non-relatives) are poor. Almost half of unattached Canadians below the age of 25 were poor at last count, as were 50 percent of the unattached elderly. Families headed by persons under 25 also face high odds - three in ten had low incomes in 1984.

Families with children face a rising risk of poverty. The number of poor children under 16 has increased steadily from 896,000 in 1980 to 969,000 in 1981, 1,113,000 in 1982, 1,131,000 in 1983 and an estimated 1,200,000 in 1984. Poverty now affects one Canadian child in five.

The 'feminization of poverty' is a striking trend. In 1969, 16.6 percent of low-income families were headed by women; by 1984, their proportion had doubled to 33.5 percent. Women comprise 61.6 percent of poor unattached individuals. Females are overrepresented among Canada's poor: They make up 55.6 percent of all children and adults living on low incomes as opposed to 50.8 percent of the population as a whole.

There is also evidence that the gap between rich and poor - always large - has widened in recent years. The small share of income going to families and unattached individuals at the bottom of the income ladder has decreased steadily since 1981, while those in the top income group had an even larger share of income in 1984 than at the beginning of the decade. The average incomes of low and middle-income Canadians have generally declined in recent years, while the affluent have held their own.

However there are some promising trends as well. Unattached Canadians were less likely to be poor in 1984 than in 1983. Poverty still hits young people hard - 31 percent who head families and 47 percent who are unattached had low incomes at last count - but 1984 brought modest improvements over 1983.

The real success story is the substantial progress made against poverty among elderly Canadians, especially those who live alone. In 1980, 61.5 percent of unattached seniors were below the low-income line. That percentage has declined steadily since, reaching an estimated 50.4 percent for 1984 - still high, but much better than before. Improvements in federal Guaranteed Income Supplement benefits largely take the credit for reducing poverty among the unattached elderly, most of whom are widows.

DEFINITIONS

Every year Statistics Canada conducts a household survey of families and unattached individuals to obtain information on the distribution of income as well as the nature and extent of poverty in Canada. The survey on which this report is based, conducted in April of 1985, sampled approximately 35,200 private households from all parts of the country except for the Yukon and Northwest Territories, Indian reserves and institutions (prisons, mental hospitals, homes for the elderly, and so on). As a result, the survey underestimates the true extent of poverty in this country. The study looked at incomes for the 1984 calendar year.

Statistics Canada releases its findings in two stages each year. The preliminary results are based on partially edited survey data, while the final revised version presents a more accurate and comprehensive picture of the incomes of Canadians.

The 1984 statistics presented in this report are taken from Statistics Canada's Income Distributions by Size in Canada: Preliminary Estimates, 1984 (Ottawa: Minister of Supply and Services Canada, September 1985). Experience has shown that the preliminary estimates tend to slightly overstate poverty statistics and to understate average incomes, though the difference between the preliminary and final figures is relatively small. In addition, some supplementary information is provided for 1983 because it is the most recent data available; these are final estimates.

The poverty statistics that follow are broken down according to families and unattached individuals. The survey which gathered the data defines a **"family"** as "a group of individuals related by blood, marriage or adoption, who shared a common dwelling unit at the time of the survey". An **"unattached individual"** is a "person living alone or in a household where he/she is not related to other household members".

In families consisting of married couples with or without children, the husband is considered to be the **"head"**. In single-parent

families with unmarried children, the parent is defined as the head, while the member who is the major breadwinner is the head in one-parent families with married children. In families where relationships are neither husband-wife nor parent-child, the eldest member normally is considered as the head.

"Income" is money income reported by all family members 15 years or older from the following sources: wages and salaries (before deductions for taxes, pensions, etc.), net income from self-employment, investment income, government transfer payments (e.g., family allowances, the child tax credit, Old Age Security, and provincial tax credits), pensions and miscellaneous (e.g., scholarships, alimony). The definition of income excludes gambling wins and losses, capital gains or losses, receipts from the sale of property or personal belongings, income tax refunds, loans received or repaid, lump sum settlements of insurance policies and income in kind (e.g., free meals, living accommodation, food or fuel produced on the family's or individual's own farm).

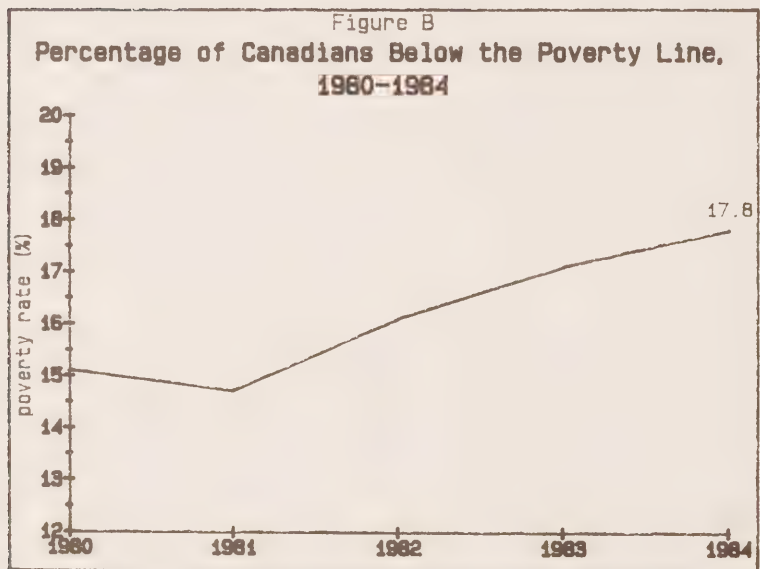
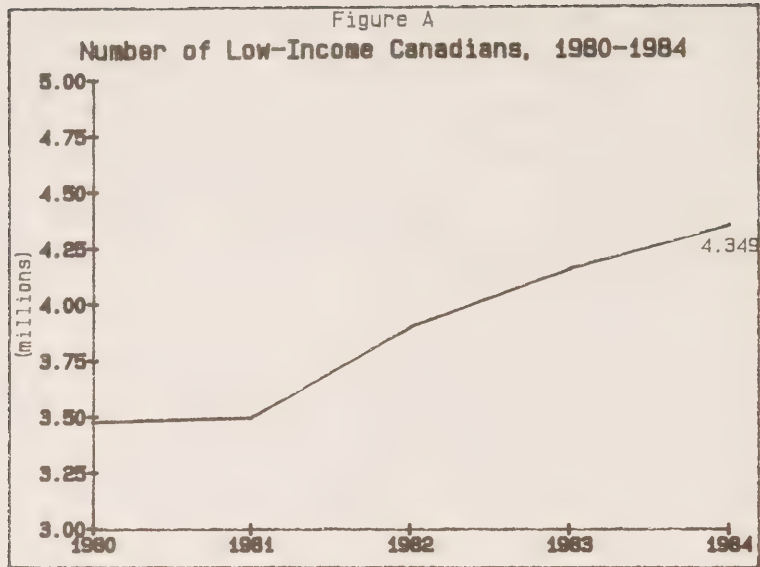
Statistics on the low-income population are calculated using Statistics Canada's **"low income cut-offs"**, which are set at levels where, on average, 58.5 percent of income (20 percentage points above the average) goes to food, clothing and shelter. The low income cut-offs vary according to size of family and of community. We use the terms "low income cut-off" and "poverty line" synonymously.

The Appendix gives the low income lines used to produce the poverty statistics presented in this report. The 1984 preliminary estimates are based on the 1984 low income cut-offs, while the 1983 final figures are based on the 1983 low income cut-offs. (The National Council of Welfare's March 1985 publication 1985 Poverty Lines explains the low income cut-offs and gives estimates for 1985 and final figures for 1980 through 1984).

A **"poor"** or **"low-income"** family (we use the terms synonymously) has an income below the poverty line, while a **"non-poor"** family has an income above the poverty line. The same thing applies for unattached individuals.

The tables in the following two chapters give two types of information. The **number** of poor families and unattached individuals simply indicates the actual number of families or unattached persons in each category, while the **poverty rate** expresses the number of low-income families or unattached persons as a percentage of all families or unattached persons in a particular category. (The term "incidence of poverty" is sometimes used as a synonym for poverty rate). The higher the poverty rate, the greater the risk of poverty for a family or unattached individual in a given category.

The trend statistics analyzed in this report look at the years 1969 and 1980 through 1984. For technical reasons, we cannot include in our discussion poverty statistics for most of the 'seventies.



POVERTY TRENDS

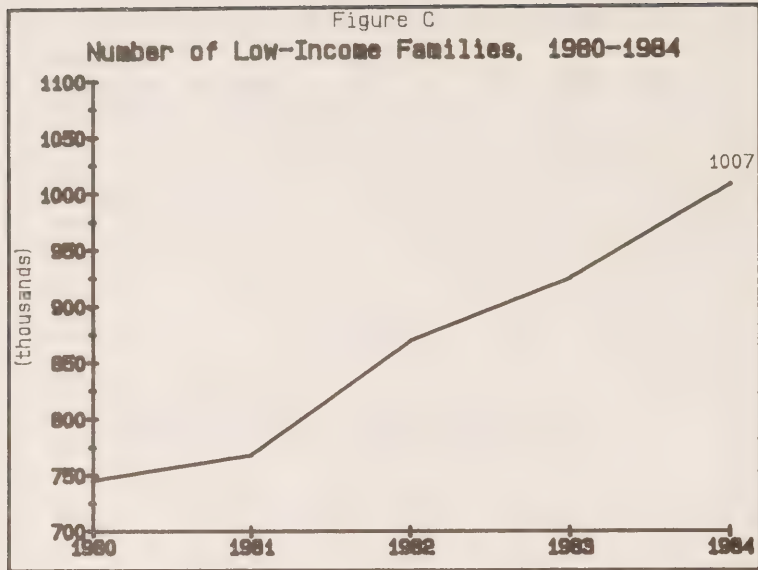
a. the general picture (Table 1, Figures A to F)

At the end of the 'sixties, 21 percent of Canadian families - one in five - were below the poverty line. The most recent statistics, for 1984, show family poverty at 15 percent - one family in seven. The incidence of poverty was cut by one-quarter from 1969 to 1984.

TABLE 1

Poverty Trends, 1969 to 1984

	<u>Families</u>		<u>Unattached Individuals</u>		<u>All Persons</u>	
	<u>poverty rate</u>	<u>number</u>	<u>poverty rate</u>	<u>number</u>	<u>poverty rate</u>	<u>number</u>
1969	20.8%	1,002,000	42.8%	693,000	23.1%	4,851,000
1979	13.1	788,000	40.3	1,011,000	15.7	3,728,000
1980	12.2	745,000	39.6	1,041,000	15.1	3,475,000
1981	12.0	768,000	37.8	962,000	14.7	3,495,000
1982	13.2	869,000	37.4	998,000	16.1	3,897,000
1983	14.0	924,000	41.3	1,091,000	17.1	4,155,000
1984	15.0	1,007,000	38.4	1,040,000	17.8	4,349,000
<u>percentage change</u>						
1969/84	-27.9%	0.5%	-10.3%	50.1%	-22.9%	-10.3%
1980/84	23.0	35.2	- 3.0	- 0.1	17.9	25.2
1983/84	7.1	9.0	- 7.0	- 4.7	4.1	4.7



However **the recession of the early 'eighties has reversed the long-term decline in family poverty.** The family poverty rate dropped from 13.1 percent in 1979 to 12.2 percent in 1980 and 12.0 percent in 1981. In 1982, it increased to 13.2 percent and moved up to 14.0 percent in 1983 and an estimated 15.0 percent in 1984.

The number of low-income Canadian families has risen steadily during the past several years - 745,000 in 1980, 768,000 in 1981, 869,000 in 1982, 924,000 in 1983 - and pushed past the one million mark in 1984 to an estimated 1,007,000. From 1980 to 1984, their numbers went up by a substantial 35 percent.

The number of unattached individuals (Canadians who live alone or with non-relatives) increased steadily from 1981 to 1983, but dropped slightly from 1,091,000 in 1983 to an estimated 1,040,000 in 1984. Their poverty rate in 1984 was an estimated 38.4 percent - about four unattached Canadians in ten - and is an improvement over the 41.3 percent rate for 1983.

The low-income population as a whole is on the increase. In 1980, 3,475,000 men, women and children lived below the poverty line - 15.1 percent of all Canadians. Their ranks have swollen steadily since and now number an estimated 4,349,000 or 17.8 percent of the Canadian population.

The low-income population is increasing faster than the population as a whole. From 1980 to 1984, the number of poor families rose by 35.2 percent compared to only 10.5 percent for all families. The total poverty population grew by a hefty 25.2 percent from 1980 to 1984 - more than four times the 6.2 percent increase in the number of all Canadians. Fortunately the number of poor unattached individuals was essentially the same in 1984 as in 1980, while the unattached population as a whole increased slightly (by 3 percent).

b. regions/provinces (Tables 2 to 5)

The Atlantic region and Quebec have the highest rates of family poverty - 18.4 percent and 17.2 percent, respectively, as shown in Table 2.

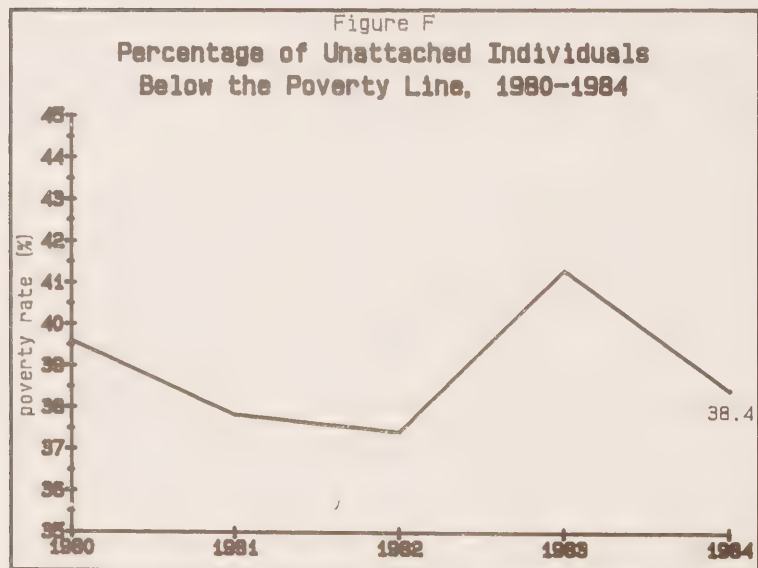
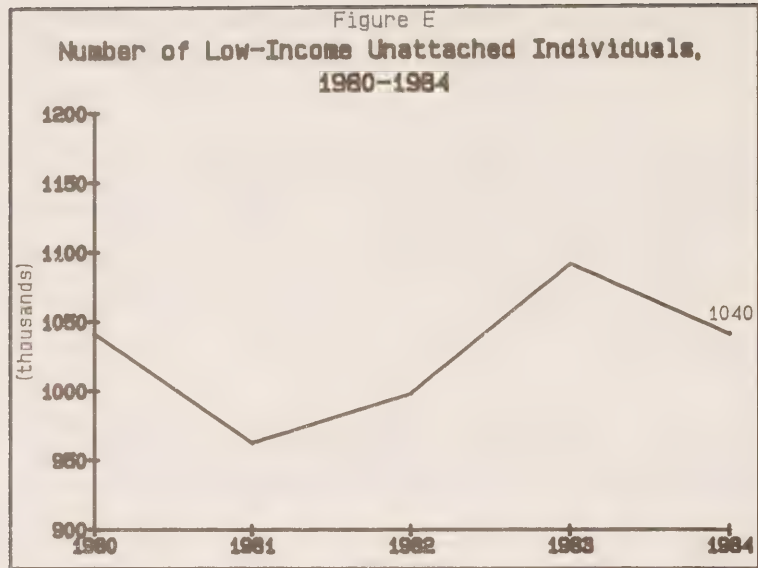


TABLE 2

Trends in Family Poverty by Region,
1980 to 1984

	Atlantic		Quebec		Ontario		Prairies		British Columbia	
	rate	number	rate	number	rate	number	rate	number	rate	number
1980	16.4%	88,700	15.2%	245,900	10.2%	227,200	11.4%	117,700	9.6%	64,800
1981	16.6	92,200	14.8	253,400	9.9	229,600	11.3	124,400	9.4	69,100
1982	17.5	99,100	15.6	272,900	11.4	267,700	12.0	136,400	12.2	93,000
1983	18.0	103,500	16.2	281,800	11.9	281,800	13.8	157,100	12.7	98,900
1984	18.4	105,700	17.2	312,200	11.8	286,000	16.0	184,300	15.5	119,800
percentage change										
1980/84	12.2%	19.2%	13.2%	27.0%	15.7%	25.9%	40.4%	56.6%	61.5%	84.9%
1983/84	2.2	2.1	6.2	10.8	- 0.8	1.5	15.9	17.3	22.0	21.1

Table 3 indicates that Newfoundland ranks highest among the provinces. An estimated 23 percent or almost one-quarter of Newfoundland families lived on low incomes in 1984.

All regions have experienced a significant increase in family poverty in recent years. Western Canada has been hardest hit. In 1980, 11.4 percent of Prairie families had incomes below the poverty line; by 1984, 16.0 percent were poor. Their ranks went from 117,700 in 1980 to 184,300 by 1984 - a 56.6 percent increase. Quebec and Ontario have seen their low-income families increase in number by more than one-quarter since 1980.

Table 3 compares family poverty in each province for 1981 and 1984. (Figures are not available for 1980). Alberta shows an alarming increase in family poverty. In 1981, only 49,200 or 8.3 percent of Alberta families were below the low-income line, but by 1984 those figures escalated to an estimated 100,700 families or 16.3 percent of all families in the province. **Family poverty doubled in Alberta between 1981 and 1984.**

British Columbia also has experienced a sharp increase in family poverty. The number of low-income families grew from 69,120 in 1981 to an estimated 119,800 in 1984 - a 73 percent increase. The rate of poverty among British Columbia families rose from 9.4 percent in 1981 to an estimated 15.5 percent in 1984. Newfoundland also has been hard hit.

Table 4 shows an improvement in the poverty rate for unattached individuals in all regions from 1983 to 1984. The risk of poverty was somewhat lower in 1984 than in 1980 in Atlantic Canada, Ontario and the Prairies, though slightly higher in Quebec and British Columbia.

Table 5 compares the 1984 estimates with the 1981 figures for unattached individuals in each province. Prince Edward Island has the highest poverty rate (48.3 percent) and unattached Albertans the lowest (31.0 percent). The risk of poverty declined somewhat between 1981 and 1984

in Nova Scotia, Quebec, Manitoba and Saskatchewan and increased in the remaining provinces. As is the case for families, unattached individuals in Alberta and British Columbia were more likely to be poor in 1984 than in 1981.

TABLE 3
Family Poverty, by Province, 1981 and 1984

	<u>1981</u>		<u>1984</u>		<u>percentage increase</u>	
	<u>rate</u>	<u>number</u>	<u>rate</u>	<u>number</u>	<u>1981/1984</u> <u>rate</u>	<u>number</u>
Newfoundland	17.4%	23,000	23.0%	32,200	32.2%	40.0%
P.E.I.	15.0	4,600	12.4	4,000	-17.3	-13.0
Nova Scotia	15.4	32,300	16.0	35,200	3.9	9.0
New Brunswick	17.6	31,500	18.9	34,200	7.4	8.6
Quebec	14.8	253,400	17.2	312,200	16.2	23.2
Ontario	9.9	229,600	11.8	286,000	19.2	24.6
Manitoba	14.5	38,400	14.6	40,300	0.7	4.9
Saskatchewan	14.9	36,900	17.0	43,300	14.1	17.3
Alberta	8.3	49,200	16.3	100,700	96.4	104.7
British Columbia	9.4	69,100	15.5	119,800	64.9	73.3
Canada	12.0	768,000	15.0	1,007,000	25.0	31.1

TABLE 4

Trends in Poverty for Unattached Individuals,
by Region, 1980 to 1984

	Atlantic		Quebec		Ontario		Prairies		British Columbia	
	rate	number	rate	number	rate	number	rate	number	rate	number
1980	48.0%	90,600	45.5%	282,100	36.5%	344,600	38.3%	191,400	34.9%	131,200
1981	43.3	69,300	48.5	314,600	34.3	301,100	31.0	154,900	34.1	122,200
1982	44.8	72,900	47.5	325,300	32.6	296,400	32.7	173,700	34.4	128,700
1983	45.0	69,800	47.7	326,200	40.3	373,100	36.3	182,200	37.6	139,600
1984	43.0	69,700	46.8	337,000	34.7	318,200	33.2	172,600	36.4	142,500
percentage change										
1980/84	-10.4%	-23.1%	2.9%	19.5%	-4.9%	-7.7%	-13.3%	-9.8%	4.3%	8.6%
1983/84	-4.4	-0.1	-1.9	3.3	-13.9	-14.7	-8.5	-5.3	-3.2	2.1

TABLE 5
Poverty Among Unattached Individuals,
by Province, 1981 and 1984

	<u>1981</u>		<u>1984</u>		<u>percentage increase 1981/1984</u>	
	<u>rate</u>	<u>number</u>	<u>rate</u>	<u>number</u>	<u>rate</u>	<u>number</u>
Newfoundland	42.7%	10,600	45.1%	11,400	5.6%	7.5%
P.E.I.	46.1	4,800	48.3	4,200	4.8	-12.5
Nova Scotia	42.9	31,700	39.5	30,200	-7.9	- 4.7
New Brunswick	43.7	22,100	46.1	23,900	5.5	8.1
Quebec	48.5	314,600	46.8	337,000	-3.5	7.1
Ontario	34.3	301,100	34.7	318,200	1.2	5.7
Manitoba	37.4	42,300	36.7	43,700	-1.9	3.3
Saskatchewan	37.1	38,500	35.5	39,500	-4.3	2.6
Alberta	26.2	74,100	31.0	89,400	18.3	20.6
B.C.	34.1	122,200	36.4	142,500	6.7	16.6
Canada	37.8	962,000	38.4	1,040,000	1.6	8.1

c. females versus males (Tables 6 to 8)

Four in ten families headed by women are poor, compared to only one in ten led by men. Families led by women are little better off today than at the end of the 'sixties. Their poverty rate was an estimated 42.9 percent in 1984 - not much improvement over the 46.9 percent figure for 1969.

Families headed by men are by no means immune to the effects of the recession. In fact their poverty rate has risen steadily and substantially since 1980 and their numbers increased by 39.1 percent from 1980 to 1984. There are now an estimated 669,700 low-income families led by men and another 337,300 by women.

TABLE 6
Trends in Family Poverty,
by Sex of Head, 1980 to 1984

	<u>Female Head</u>		<u>Male Head</u>	
	<u>rate</u>	<u>number</u>	<u>rate</u>	<u>number</u>
1980	43.2%	263,700	8.8%	481,300
1981	38.1	259,600	8.9	508,400
1982	41.9	303,300	9.7	565,700
1983	43.4	310,500	10.4	613,500
1984	42.9	337,300	11.3	669,700
<u>percentage change</u>				
1980/84	-0.7%	27.9%	28.4%	39.1%
1983/84	-1.2	8.6	8.7	9.2

Unattached women run a greater risk of poverty than unattached men, though the gap between them is not as wide as it is for families headed by women and by men. Table 7 indicates that four in ten unattached women were poor in 1984 compared to about one-third of unattached men. The percentage of unattached women living in poverty declined from 1983 to 1984, in part due to the significant reduction in poverty among the unattached elderly (discussed later). The poverty rate for unattached men increased from 1981 to 1983 but decreased slightly from 1983 to 1984.

TABLE 7

**Trends in Poverty, Unattached Individuals,
by Sex, 1980 to 1984**

	<u>Women</u>		<u>Men</u>	
	<u>rate</u>	<u>number</u>	<u>rate</u>	<u>number</u>
1980	47.4%	696,400	29.7%	344,600
1981	45.0	644,500	28.5	317,500
1982	42.4	629,700	31.3	368,300
1983	46.6	688,400	34.6	402,600
1984	43.3	640,600	32.4	399,400
<u>percentage change</u>				
1980/84	-8.6%	-8.0	9.1%	15.9%
1983/84	-7.1	-6.9	-6.4	-0.8

Data on the total number of low-income Canadians (including children) of each sex are available for 1983. Table 8 shows that 2.3 million females were poor at last count. They accounted for 55.6 percent of low-income Canadians, but only 50.8 percent of all Canadians. Women are even more overrepresented among the elderly poor: They comprise 70.7 percent of all seniors below the poverty line - much more than their 57.2 percent share of the entire (poor and non-poor) aged population.

TABLE 8
Poor Canadians, by Sex and Generation, 1983

	<u>Female</u>		<u>Male</u>		<u>All</u>	
	<u>number</u>	<u>percentage distribution</u>	<u>number</u>	<u>percentage distribution</u>	<u>number</u>	<u>percentage distribution</u>
Children	529 300	46.8%	601,700	53.2%	1,131,000	100.0%
Adults	1,360,200	56.0	1,068,800	44.0	2,429,000	100.0
Elderly	421,400	70.7	174 600	29.3	596,000	100.0
Total	2,310,200	55.6	1,844,800	44.4	4,155,000	100.0

d. children and parents (Tables 9 to 11, Figures G to I)

Families with children have experienced a substantial increase in poverty in recent years. The poverty rate for families with three or more children under 16 was 43 percent higher in 1984 (26.5 percent) than in 1980 (18.5 percent). Families with one or two children also face a significantly higher risk of poverty today than at the beginning of the decade.

The recession added close to 200,000 families with children under age 16 to the ranks of Canada's poor. While the number of low-income families with children grew by 42 percent from 1980 to 1984, the total number of families with children (poor and non-poor together) increased by only 5 percent during the same period.

TABLE 9

**Trends in Family Poverty,
by Number of Children, 1980 to 1984**

Number of Children

	0		1		2		3 or more	
	rate	number	rate	number	rate	number	rate	number
1980	9.5%	283,100	14.5%	181,000	13.6%	176,600	18.5%	103,600
1981	8.7	275,700	13.9	191,200	13.7	175,100	21.6	126,000
1982	8.9	296,300	16.4	226,800	16.2	212,000	24.6	133,800
1983	9.8	329,900	17.0	243,000	17.1	217,100	24.6	134,900
1984	10.1	350,400	19.4	268,900	18.4	241,700	26.5	146,000
percentage change								
1980/84	6.3%	23.8%	33.8%	48.6%	35.3%	36.9%	43.2%	40.9%
1983/84	3.1	6.2	14.1	10.7	7.6	11.3	7.7	8.2

The number of children under 16 living in low-income families rose by more than one-third from 1980 to 1984. **In 1984 more than a million children - an estimated 1,200,000 or one child in five - were poor.**

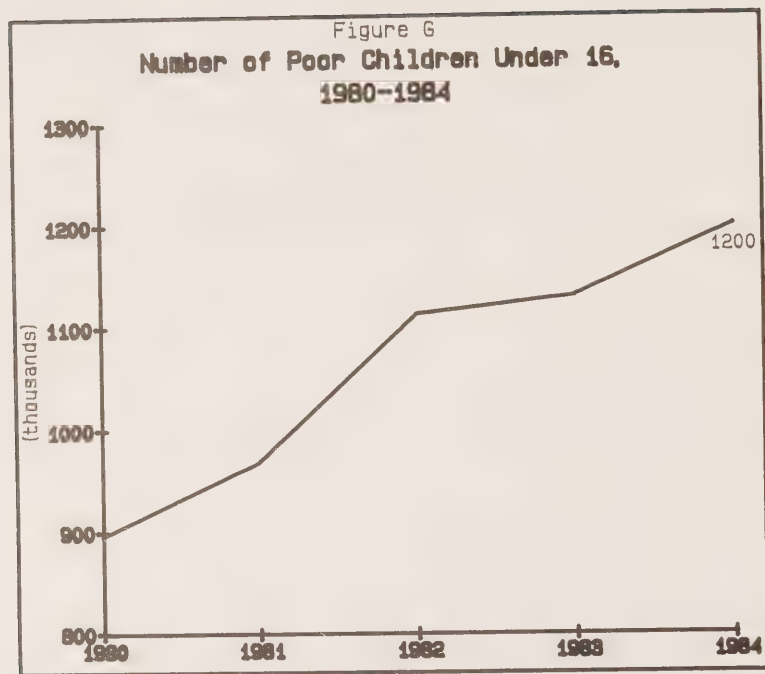


TABLE 10
Poverty Trends, Children Under 16,
1980 to 1984

	<u>Number of Poor Children</u>	<u>Poverty Rate</u>
1980	896,000	15.0%
1981	969,000	16.4
1982	1,113,000	19.0
1983	1,131,000	19.3
1984	1,200,000*	20.6
 <u>percentage change</u>		
1980/1984	33.9%	37.3%
1983/1984	6.1	6.7

* estimate by National Council of Welfare

Table 11 shows that **one-parent families are very vulnerable to poverty**. The most recent data are for 1983. Five families in ten led by a single mother were poor, compared to two in ten headed by a single father and only one in ten with two parents.

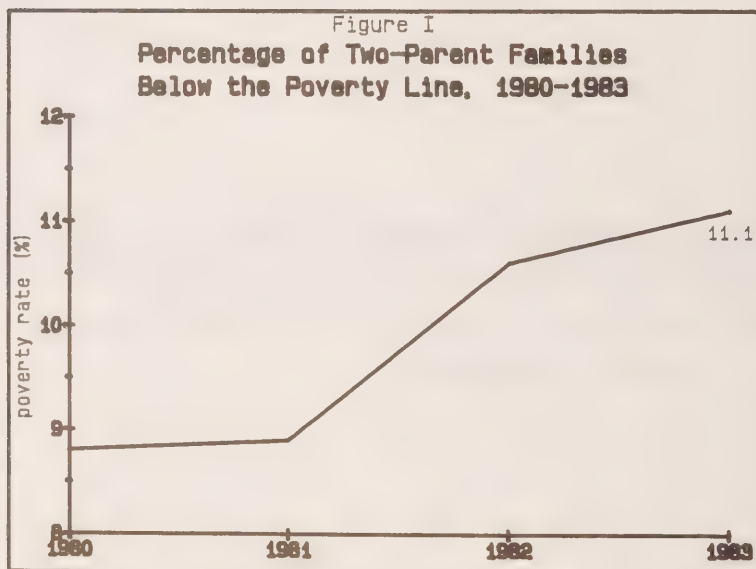
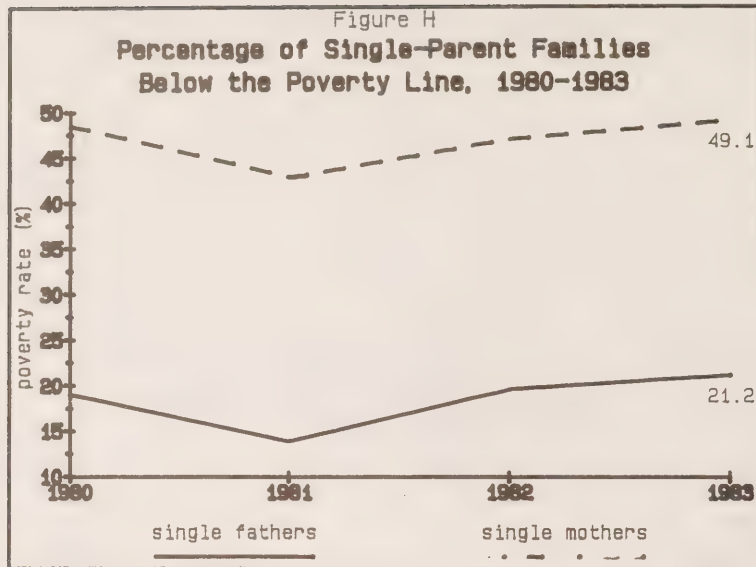


TABLE 11

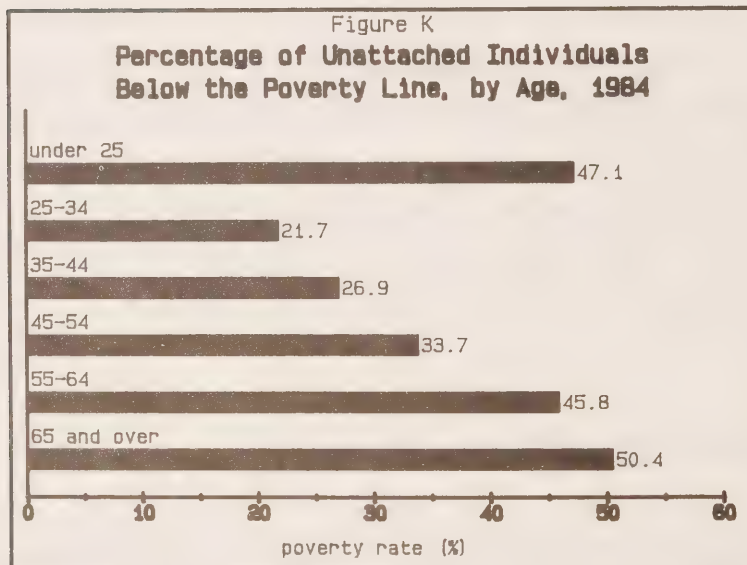
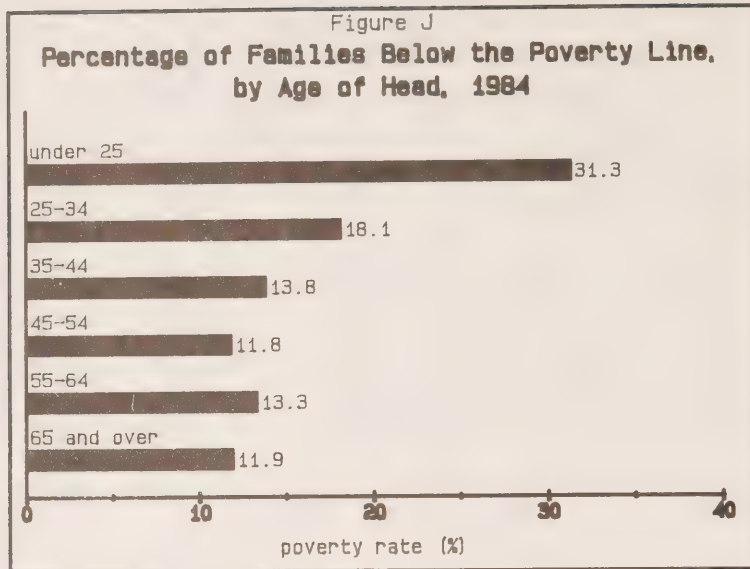
**Trends in Poverty, Couples and Single Parents,
1980 to 1983**

	Female Single Parents		Male Single Parents		Couples	
	Rate	Number	Rate	Number	Rate	Number
1980	48.5%	236,900	19.0%	14,900	8.8%	291,300
1981	42.8	230,400	13.8	12,300	8.9	308,000
1982	47.0	265,900	19.6	19,100	10.6	364,100
1983	49.1	274,400	21.2	18,500	11.1	389,000
<u>percentage change</u>						
1980/83	1.2%	15.8%	11.6%	24.2%	26.1%	33.5%
1982/83	4.5	3.2	8.2	-3.1	4.7	6.8

Again, however, **the recession has raised the risk of poverty for two-parent as well as one-parent families.** The number of low-income couples with children increased by one-third from 1980 to 1983. Single fathers with incomes below the poverty line are overshadowed by single mothers, but their ranks escalated by a sizable 24.2 percent from 1980 to 1983 (compared to only 8.5 percent for single fathers from all income levels).

e. age (Tables 12 to 14, Figures J and K)

Poverty has increased significantly in recent years among families headed by Canadians under 65. **Young families are the most vulnerable.** The poverty rate for families led by persons under age 25 went from 21.1



percent in 1980 to 34.7 percent just three years later, but eased to an estimated 31.3 percent in 1984. Families led by men and women in the 25 to 34 age range also have experienced a marked increase in poverty, as have those aged 35 to 44.

The picture is better for elderly families. Their poverty rate declined from 41.4 percent in 1969 to 14.2 percent in 1980 and 11.1 percent in 1983. Their risk of poverty increased slightly in 1984 (to an estimated 11.9 percent) although the final figure likely will be lower and may not represent a statistically significant increase from 1983 to 1984. Elderly families are better off than those in the near-aged (60 to 64 year-old) category - 15.1 percent of the latter had low incomes in 1984, compared to only 11.9 percent of the former.

Unattached Canadians under 55 face a greater risk of poverty today than in 1980. Table 13 indicates that those aged 35 to 44 have experienced the largest increase, but the poverty rate also has gone up for the other age categories. Fortunately the situation appears to have improved somewhat in 1984 for the unattached under 25, 25 to 34 and 45 to 54.

The elderly unattached still run a very high risk of being poor (an estimated 50.4 percent in 1984), but their poverty rate was worse (61.5 percent) in 1980. Those aged 65 to 69 face a much lower risk of poverty than the over-70 unattached (39.3 percent as opposed to 54.4 percent, respectively). **The marked reduction in poverty among the elderly unattached in 1984 (from 57.5 percent in 1983 to an estimated 50.4 percent in 1984) undoubtedly reflects improvements in the Guaranteed Income Supplement.** The benefit was increased by \$25 a month in July of 1984 and by an additional \$25 a month in December for persons receiving the Guaranteed Income Supplement at the single rate.

TABLE 12

Trends in Family Poverty, By Age of Head,
1980 to 1984

	Under 25		25-34		35-44		45-54		55-64*		65 and over*	
	rate	number	rate	number	rate	number	rate	number	rate	number	rate	number
1980	21.1%	62,600	12.2%	192,200	11.6%	157,900	10.1%	120,700	11.4%	99,800	14.2%	111,800
1981	22.7	81,400	12.6	203,500	10.7	155,100	9.0	108,300	10.5	102,100	14.5	116,700
1982	28.4	94,700	15.5	247,700	12.3	192,900	10.2	126,000	11.6	117,300	11.0	91,200
1983	34.7	107,200	16.5	260,600	12.7	198,700	10.8	134,000	12.3	129,400	11.1	94,200
1984	31.3	101,700	18.1	298,100	13.8	223,600	11.8	140,000	13.0	132,900	11.9	110,800
percentage change												
1980/84	48.3%	62.5%	48.4%	55.1%	19.0%	41.6%	16.8%	16.0%	14.0%	33.2%	-16.2%	-0.9
1983/84	-9.8	-5.1	9.7	14.4	8.7	12.5	9.3	4.5	5.7	2.7	7.2	17.6

* For 1984: 55 to 59, a poverty rate of 11.2% and number of 61,400;
60 to 64, 15.1% and 71,500;
65 to 69, 12.9% and 46,300;
70 and over, 11.2% and 64,500.

TABLE 13

Trends in Poverty, Unattached Individuals,
By Age, 1980 to 1984

	Under 25		25-34		35-44		45-54		55-64		65 and over*	
	rate	number	rate	number	rate	number	rate	number	rate	number	rate	number
1980	42.1%	224,900	19.2%	112,400	18.9%	39,600	29.7%	69,700	41.5%	124,900	61.5%	469,500
1981	38.4	189,500	18.2	103,900	22.4	51,900	30.3	64,500	40.9	125,100	58.6	427,100
1982	42.8	214,600	18.0	113,800	23.8	64,900	31.9	71,900	40.2	123,800	56.2	410,200
1983	49.3	211,700	25.0	149,500	23.6	64,400	36.0	80,700	40.8	138,600	57.5	446,200
1984	47.1	224,600	21.7	133,100	26.9	83,200	33.7	84,200	45.0	147,700	50.4	366,100
percentage change												
1980/84	11.9%	-0.1%	13.0%	18.4%	42.3%	110.1%	13.5%	20.8%	8.4%	18.3%	-18.0%	-22.0%
1983/84	-4.5	6.1	-13.2	-11.0	14.0	29.2	-6.4	4.3	10.3	6.6	-12.3	-18.0

* For 1984: 55 to 59, a rate of 42.5% and number of 64,500;

60 to 64, 46.9% and 83,200;

65 to 69, 39.3% and 77,000;

70 and over, 54.4% and 289,100

The two preceding tables gave information on poor families headed by persons 65 and older and those whom Statistics Canada defines as 'unattached'. Table 14 also looks at all low-income seniors, including those who live in families but are not classed as heads (e.g., spouses, relatives). The data are for 1983.

One elderly Canadian in four lived below the poverty line in 1983. The risk of poverty was significantly higher for aged women (31.3 percent were poor) than men (17.3 percent). The large majority of the aged poor (71 percent) are women.

Most low-income elderly Canadians (446,000 of the 596,000 total) are unattached, which means that they live alone or with non-relatives. Again, most of the unattached aged poor (79.9 percent) are women, mostly widows. Six in ten (60.4 percent) unattached elderly women are poor, compared to just under half (48.1 percent) of unattached men aged 65 or over.

Men make up the majority of poor elderly Canadians living in families. An estimated 85,000 aged men in families were below the poverty line in 1983, compared to 65,000 elderly women.

It is clear that unattached elderly Canadians, men and women alike, face a much higher risk of poverty than those who live in families. Six in ten of the unattached aged were poor in 1983 compared to only one in ten of the elderly who live in families.

TABLE 14

The Elderly Poor, by Family Status and Sex, 1983

	<u>Number</u>	<u>Poverty Rate</u>	<u>Percentage Distribution</u>
<u>In Families</u>			
women	65,000	8.6%	43.1%
men	85,000	10.4	56.9
total	150,000	9.5	100.0
<u>Unattached Individuals</u>			
women	356,000	60.4	79.9
men	90,000	48.1	20.1
total	446,000	57.5	100.0
<u>All Elderly</u>			
women	421,000	31.3	70.7
men	175,000	17.3	29.3
total	596,000	25.3	100.0

f. men versus women, over and under 65 (Tables 15 and 16, Figures L and M)

Table 15 shows recent trends in poverty rates for families headed by men and women over and under age 65.

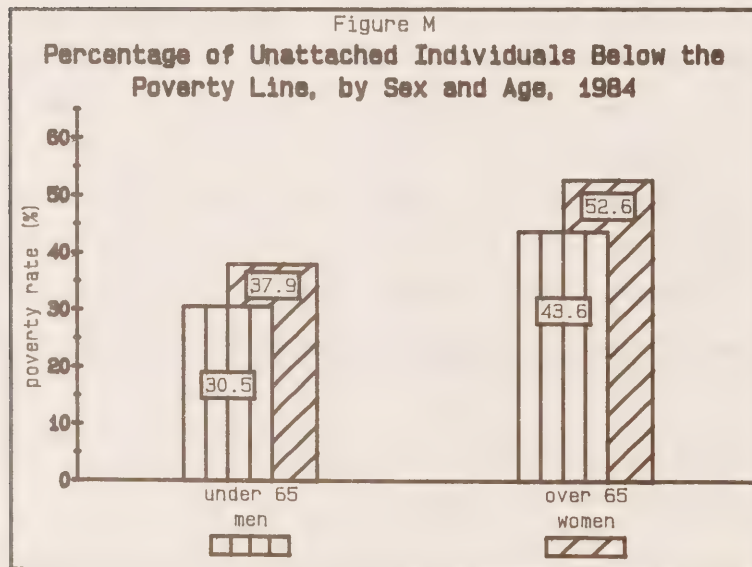
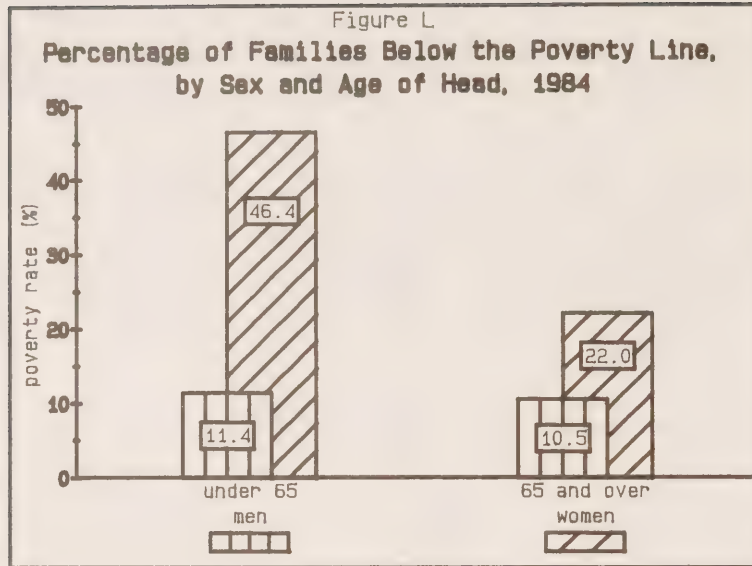


TABLE 15
Trends in Family Poverty,
By Sex and Age of Head, 1980 to 1984

Poverty Rate

	<u>Under 65</u>		<u>Over 65</u>	
	<u>female</u>	<u>male</u>	<u>female</u>	<u>male</u>
1980	46.6	8.1	21.2	13.3
1981	40.5	8.3	24.7	12.9
1982	44.7	9.7	23.2	9.4
1983	47.1	10.4	17.0	10.4
1984	46.4 (312,200)	11.4 (584,100)	22.0 (24,200)	10.5 (85,600)
<u>percentage change</u>				
1980/84	-0.4%	40.7%	3.8%	-21.1%
1983/84	-1.5	9.6	29.4	1.0

The risk of poverty for families headed by women under 65 is the same today (an estimated 46.4 percent in 1984) as in 1980 (46.6 percent), though the rate has moved up and down in the intervening years. While families led by non-aged men are much less likely to live on a low income, nonetheless their poverty rate has risen significantly each year since 1981.

The poverty rate for families led by elderly women changed little between 1980 and 1984, except for a sharp drop (perhaps due to sample size variation) to 17.0 percent in 1983. The risk of poverty for families headed

by aged men decreased substantially from 1980 to 1982, but rose from 9.4 percent in 1982 to 10.4 percent in 1983 and an estimated 10.5 percent in 1984.

Table 16 looks at aged and non-aged unattached women and men. The odds of being poor for unattached men under age 65 were one in four from 1980 to 1982 but rose to one in three by 1983 and went down to 30.5 percent in 1984. Unattached women under 65 have seen a smaller increase in poverty since 1980, though their rate went from 31.7 percent in 1982 to 37.4 percent in 1983 and 37.9 percent in 1984.

TABLE 16

**Trends in Poverty, Unattached Individuals,
by Sex and Age, 1980 to 1984**

	<u>Poverty Rate</u>			
	<u>Under 65</u>		<u>Over 65</u>	
	<u>women</u>	<u>men</u>	<u>women</u>	<u>men</u>
1980	36.7	24.6	65.4	51.9
1981	34.6	24.5	62.2	48.4
1982	31.7	29.2	60.1	43.6
1983	37.4	32.1	60.6	48.0
1984	37.9 (352,600)	30.5 (321,400)	52.6 (288,100)	43.6 (78,000)
<u>percentage change</u>				
1980/84	3.3%	24.0%	-19.6%	-16.0%
1983/84	1.3	-5.0	-13.2	-9.2

Unattached women over 65 are still more poverty-prone than men, but they have seen a significant decline in their risk of poverty since 1980. The risk of poverty for aged unattached men went down from 51.9 percent in 1980 to an estimated 43.6 percent in 1984. However the poverty rate for both sexes is still very high - **four in ten unattached elderly men and more than half of unattached aged women lived on low incomes in 1984.**

g. size of community (Tables 17 and 18)

The 1984 estimates do not indicate any substantial variation in the risk of poverty for families living in different sized communities. The poverty rates range from 14.2 percent in small cities (30,000 - 99,999 inhabitants) to 15.7 percent for medium-sized cities (100,000 to 499,999). The majority of low-income families - like all families regardless of income - live in urban areas of 100,000 or more, where the poverty rates have climbed steadily since 1980.

Table 18 looks at unattached individuals. Reflecting the overall trend, poverty rates for most community sizes declined from 1983 to 1984, the exception being the 100,000 to 499,999 category where the rate went up slightly. Unattached individuals living in rural areas face the lowest risk of falling below the low-income line, while those in small urban areas (30,000 - 99,999) have the highest poverty rate.

TABLE 17

Trends in Family Poverty, by Community Size, 1980-1984

	500,000 & over		100,000 - 499,999		30,000 - 99,999		Under 30,000		Rural	
	rate	number	rate	number	rate	number	rate	number	rate	number
1980	11.6%	284,600	11.1%	106,500	15.5%	76,000	11.3%	111,800	13.9%	166,100
1981	11.2	302,600	12.1	112,900	12.5	66,800	12.1	121,300	13.1	165,100
1982	12.8	352,800	12.9	125,100	13.6	73,900	13.3	138,200	14.3	179,900
1983	14.6	414,900	13.6	130,300	14.0	84,100	13.8	137,700	13.2	157,100
1984	15.1	446,100	15.7	137,000	14.2	99,700	14.5	132,900	15.0	191,300
percentage increase										
1980/1984	30.2%	56.7%	41.4%	28.6%	-8.4%	31.2%	28.3%	18.9%	7.9%	15.2%
1983/1984	3.4	7.5	15.4	5.1	1.4	18.5	5.1	-3.5	13.6	21.8

TABLE 18

Trends in Poverty, Unattached Individuals, by Community Size, 1980-1984

	500,000 & over		100,000 - 499,999		30,000 - 99,999		Under 30,000		Rural	
	rate	number	rate	number	rate	number	rate	number	rate	number
1980	37.6%	466,400	38.4%	173,800	46.2%	117,600	45.7%	186,400	35.3%	96,800
1981	38.9	522,400	35.5	142,400	38.8	80,800	38.4	136,600	33.8	79,800
1982	38.2	523,000	34.5	147,700	40.5	95,800	39.2	144,700	32.9	86,800
1983	41.0	558,600	39.1	171,300	45.2	90,600	43.0	168,000	41.5	102,600
1984	38.0	546,000	40.6	148,700	41.3	101,900	38.3	146,600	34.6	96,700
percentage increase										
1980/1984	1.1%	17.1%	5.7%	-14.4%	-10.6%	-13.4%	-16.2%	-21.4%	-2.0%	-0.1%
1983/1984	-7.3	-2.3	3.8	-13.2	-8.6	12.5	-10.9	-12.7	-16.6	-5.8

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ADDITIONAL POVERTY STATISTICS

The preliminary estimates cover a limited range of categories. The final statistics offer a more comprehensive picture of poverty. This chapter provides additional information on the low-income population for 1983, the most recent year for which final data are available.

a. education (Tables 19 and 20)

The statistics always show a clear link between education and poverty and the 1983 figures are no exception. **The lower the education of a family head or unattached individual, the greater the chance of falling below the low-income line.** A family led by someone who did not get to high school is four times more likely to be poor as one headed by a university graduate.

However the risk of poverty has increased for all families in recent years, including those headed by persons who have graduated from universities, community colleges and other postsecondary institutions. Families led by Canadians with only a high school education registered the largest increase in their poverty rate from 1980 to 1983 (from 12.2 percent to 15.7 percent, which represents a 28.7 percent increase). Unattached individuals show a similar trend, though university graduates were slightly less likely to be poor in 1983 than in 1980.

TABLE 19

**Family Poverty Trends,
by Education of Head, 1980 to 1983**

	<u>Poverty Rate</u>				
	Primary	Some High School	Some Postsecondary	Postsecondary Graduate	University Graduate
1980	18.8%	12.2%	7.5%	6.6%	4.5%
1981	18.9	11.6	8.4	7.0	4.7
1982	18.6	14.1	10.7	7.6	5.3
1983	19.9	15.7	9.1	7.9	5.2
<u>percentage change</u>					
1980/83	4.3%	28.7%	21.3%	19.7%	15.6%
1982/83	5.4	11.3	-15.0	3.9	-1.9

TABLE 20

**Poverty Trends, Unattached Individuals,
by Education of Head, 1980 to 1983**

Poverty rate

	Primary	Some High School	Some Postsecondary	Postsecondary Graduate	University Graduate
1980	64.3%	35.1%	35.3%	23.7%	21.1%
1981	62.9	33.3	34.2	22.8	17.3
1982	62.4	34.5	33.2	23.6	18.5
1983	67.0	37.7	40.0	24.9	19.3
<u>percentage change</u>					
1980/83	4.2%	7.4%	13.3%	5.1%	-8.5%
1982/83	7.4	9.3	20.5	5.5	4.3

b. the link to the labor force (Tables 21 through 30)

Not surprisingly, families whose heads are not in the labor force (i.e., are neither employed nor actively looking for work) are more poverty prone. Twenty-eight percent were poor in 1983, as opposed to only 10 percent of families with heads in the labor force.

However Table 21 illustrates that the risk of poverty has increased significantly in recent years for families headed by persons in the labor force. Table 22 shows the same trend for unattached individuals.

TABLE 21

**Trends in Family Poverty,
by Labor Force Status of Head, 1980 to 1983**

	<u>Poverty Rate</u>	
	<u>in labor force</u>	<u>not in labor force</u>
1980	8.0%	29.6%
1981	7.9	27.3
1982	9.5	27.1
1983	10.3	27.8
<u>percentage change</u>		
1980/83	28.8%	-6.1%
1982/83	8.4	2.6

TABLE 22

**Poverty Trends, Unattached Individuals
by Labor Force Status, 1980 to 1983**

	<u>Poverty Rate</u>	
	<u>in labor force</u>	<u>not in labor force</u>
1980	21.7%	66.7%
1981	20.4	64.1
1982	20.6	64.1
1983	25.2	64.4
<u>percentage change</u>		
1980/83	16.1%	-3.4%
1982/83	22.3	0.5

Contrary to what many people believe, **most poor families are headed by persons who work or are actively searching for a job.** In 1980, 52.4 percent of low-income families were headed by men or women in the labor force, and that percentage increased to 57.8 percent by 1983. In contrast, most poor unattached individuals (64.1 percent in 1983) are not in the labor force.

The more weeks worked by a head who is employed, the less the chance a family will be poor. The poverty rate was a very high 43.3 percent for families whose heads worked only one to nine weeks in 1983, and the risk dropped progressively until it reached only 5.5 percent for families headed by persons working between 49 and 52 weeks. Table 23 gives the figures for families, and Table 24 indicates the same pattern for unattached Canadians.

TABLE 23

Family Poverty, by Weeks Worked by Head, 1983

<u>Weeks Worked</u>	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
0	32.4%	411,200
1 - 9	43.3	49,900
10 - 19	38.1	80,400
20 - 29	22.4	75,800
30 - 39	17.2	42,500
40 - 48	12.4	39,700
49 - 52	5.5	223,600

TABLE 24

Unattached Individuals, by Weeks Worked, 1983

<u>Weeks Worked</u>	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
0	67.8%	704,800
1 - 9	77.5	54,600
10 - 19	70.2	81,800
20 - 29	48.3	70,900
30 - 39	39.7	37,100
40 - 48	21.7	19,600
49 - 52	11.4	123,300

Table 25 shows that **families whose heads work part-time run a five times greater risk of poverty than families led by full-time workers** (23.7 percent versus 4.7 percent). As expected, the poverty rate among families whose heads did not work in 1983 is even higher. The same pattern applies for unattached individuals, as Table 26 demonstrates.

TABLE 25

Family Poverty, by Full/Part-Time Worker Status of Head, 1983

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
full-time	4.7%	187,600
part-time	23.7	326,200
did not work	32.4	411,200

TABLE 26

**Unattached Individuals, by Full/Part-Time
Worker Status, 1983**

	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
full-time	9.0%	89,500
part-time	49.1	296,800
did not work	67.8	704,800

Unemployment also worsens the odds. Families whose heads were out of work at some point in 1983 were twice as likely to be poor as those in which no member was unemployed. Table 27 gives the results.

TABLE 27

**Family Poverty, by Unemployment
Experience, 1983**

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
no one unemployed	11.6%	506,400
head unemployed	26.4	316,900
other members unemployed	9.7	100,700

The risk of poverty is dramatically reduced for families with more than one earner. The 1983 poverty rate was 20.1 percent for families with one earner, 6.7 percent for those with two earners and only 4.4 percent for those with three or more earners. Table 28 presents the statistics.

TABLE 28

Family Poverty, by Number of Earners, 1983

<u>Earners</u>	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
none	38.7%	306,800
1	20.1	379,800
2	6.7	193,100
3 or more	4.4	45,300

Families headed by persons in managerial and professional occupations are unlikely to live below the poverty line. Occupations with above-average risks of poverty include farming, fishing and services. The poverty rate for families headed by workers in service industries - a heavy employer of women - increased from 16.2 percent in 1980 to 20.7 percent in 1983.

TABLE 29

Family Poverty, by Occupation of Head, 1983

<u>Occupation</u>	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
managerial	2.6%	18,500
professional	7.2	54,500
clerical	11.7	46,200
sales	10.7	45,300
service	20.7	105,300
farming, fishing	22.9	74,800
processing and machining	6.6	30,500
product fabrication	8.7	49,000
construction	9.9	49,900
transport	9.7	51,700
not in labor force	28.2	399,200

Unattached individuals who work in services, sales, product fabrication, construction and transport run a substantial risk of being poor. As with families, the poverty rate for unattached men and women who work in services has increased dramatically in recent years (from 38.1 percent in 1980 to 51.5 percent in 1983). Table 30 gives the figures.

TABLE 30

Unattached Individuals, by Occupation, 1983

<u>Occupation</u>	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
managerial	6.1%	10,900
professional	16.0	54,600
clerical	19.6	58,900
sales	23.3	26,200
service	51.5	113,500
farming, fishing	-	-
processing and machining	-	-
product fabrication	31.0	32,700
construction	31.0	25,100
transport	27.9	27,300
not in labor force	64.6	705,900

c. major source of income (Tables 31 and 32)

Almost half of families whose major source of income is government transfer payments (e.g., social assistance, the old age pension, unemployment insurance) were poor in 1983. Two families in ten whose chief source of income is self-employment were below the poverty line.

TABLE 31

**Family Poverty, by Major Source of Income,
1980 to 1983**

	<u>Poverty Rate</u>			
	<u>Wages and Salaries</u>	<u>Self-Employment</u>	<u>Government Transfers</u>	<u>Other</u>
1980	5.5%	17.3%	51.6%	13.6%
1981	5.4	18.1	48.8	13.5
1982	5.5	20.1	48.9	14.3
1983	6.3	22.5	47.2	10.6
<u>percentage change</u>				
1980/83	14.5%	30.1%	-8.5%	-22.1%

The recent trend shows an increasing risk of poverty for families whose major income source is self-employment, and to a lesser extent for those living on wages or salaries. The poverty rate has declined for families dependent on government transfers and other sources. Table 32 points to the same trend for unattached individuals.

TABLE 32

**Unattached Individuals, by Major
Source of Income, 1980 to 1983**

	<u>Poverty Rate</u>			
	<u>Wages and Salaries</u>	<u>Self-Employment</u>	<u>Government Transfers</u>	<u>Other</u>
1980	17.7%	-	84.3%	24.8%
1981	18.1	26.5%	82.0	22.2
1982	17.0	38.1	77.9	22.2
1983	19.4	-	77.6	23.8
<u>percentage change</u>				
1980/1983	9.6%	-	-7.9%	-4.0%

d. immigrants and native-born (Tables 33 and 34)

The poverty rate for families with Canadian-born heads (14.2 percent) was higher than the rate for families with foreign-born heads (13.4 percent) in 1983. The risk of poverty varies according to when the family head came to Canada: 11.0 percent for those who immigrated before 1946, 8.9 percent for families whose heads immigrated between 1946 and 1960, and 17.1 percent for those who came to this country after 1960. Families whose heads immigrated after 1960 run a higher risk of poverty than other immigrants and native-born Canadians.

TABLE 33

Family Poverty, by Year of Immigration of Head, 1983

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
Canadian born	14.2%	734,600
Immigrated	13.4	189,400
before 1946	11.0	20,300
1946 to 1960	8.9	45,300
after 1960	17.1	124,700

Unattached Canadians not born in this country face a higher risk of poverty than those born in Canada. However, the poverty rate for unattached immigrants who came between 1946 and 1960 is lower than the figure for native-born unattached men and women.

TABLE 34

Unattached Individuals, by Year of Immigration, 1983

	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
Canadian born	40.2%	880,400
Immigrated	47.1	210,600
before 1946	58.4	87,300
1946 - 1960	37.6	42,500
after 1960	43.6	79,600

e. homeowners versus renters, 1983 (Tables 35 and 36)

The poverty rate for families that own their homes was only 7.9 percent in 1983 - 6.6 percent for those with a mortgage and 9.2 percent for those without a mortgage. By contrast, 29.3 percent of renters had low incomes in 1983.

TABLE 35

Family Poverty, by Tenure, 1983

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
Owners	7.9%	369,600
with mortgage	6.6	161,700
no mortgage	9.2	208,800
Renters	29.3	554,400

Unattached persons who rent are more likely to be poor than those who own their homes. The incidence of poverty is substantially higher for unattached homeowners who have paid off their mortgage than for those with a mortgage because many of the former are elderly persons who have lower incomes than those under 65.

TABLE 36

Unattached Individuals, by Tenure, 1983

	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
Owners	33.9%	234,600
with mortgage	14.5	28,400
no mortgage	41.2	206,200
Renters	44.0	856,400

INCOMES AND EARNINGS

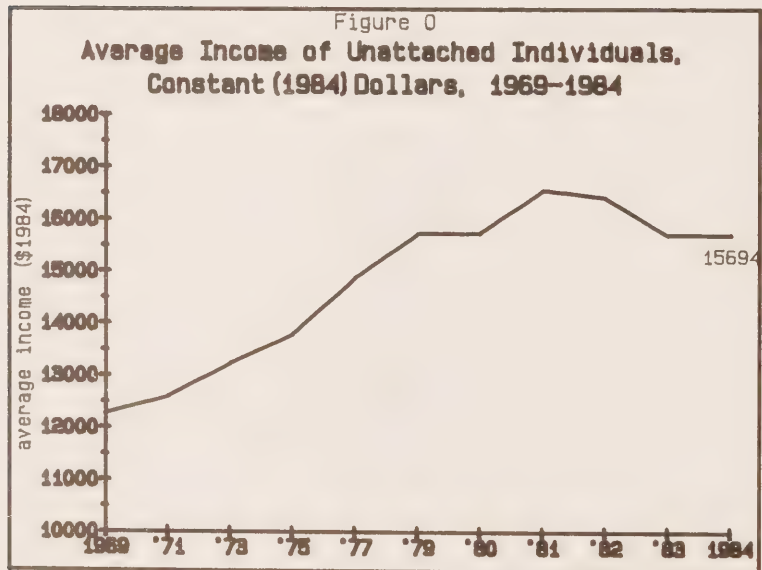
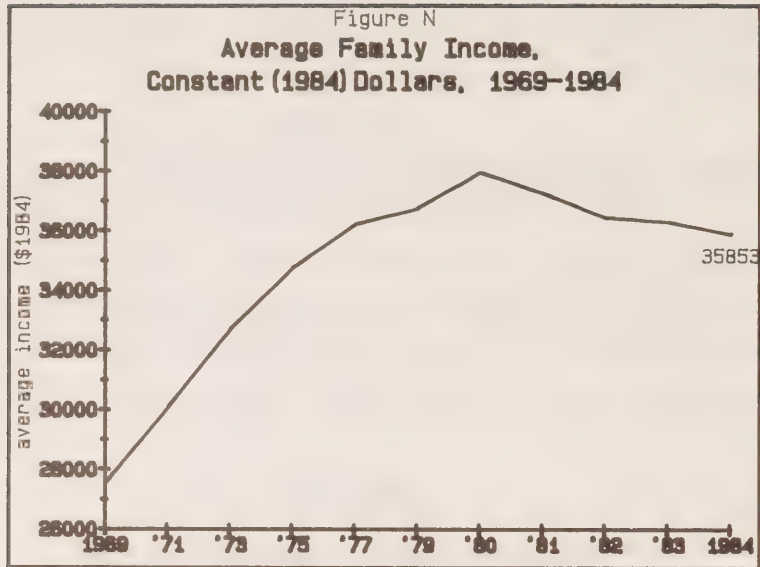
The income trends are similar to the poverty trends. Longer-term improvements are overshadowed by a deterioration in the incomes of families and unattached Canadians during the 'eighties. Incomes are distributed as unequally today as they were a generation ago.

a. income trends (Tables 37 to 44, Figures N to Q)

Families have higher average incomes today than at the end of the 'sixties. In 1969, the average family income was \$8,927, which amounts to \$27,501 in 1984 dollars. In 1984, the estimated average family income was \$35,853 - 30 percent more than in 1969. Table 37 gives the trends.

TABLE 37
Average Family Income, 1969-1984

<u>Year</u>	<u>actual</u>	<u>constant (\$ 1984)</u>
1969	\$ 8,927	\$27,501
1971	10,368	30,048
1973	12,716	32,672
1975	16,613	34,731
1977	20,101	36,205
1979	24,245	36,743
1980	27,579	37,941
1981	30,440	37,228
1982	32,981	36,404
1983	34,748	36,260
1984	35,853	35,853
<u>percentage change</u>		
1969/1984		30.4%
1980/1984		-5.5



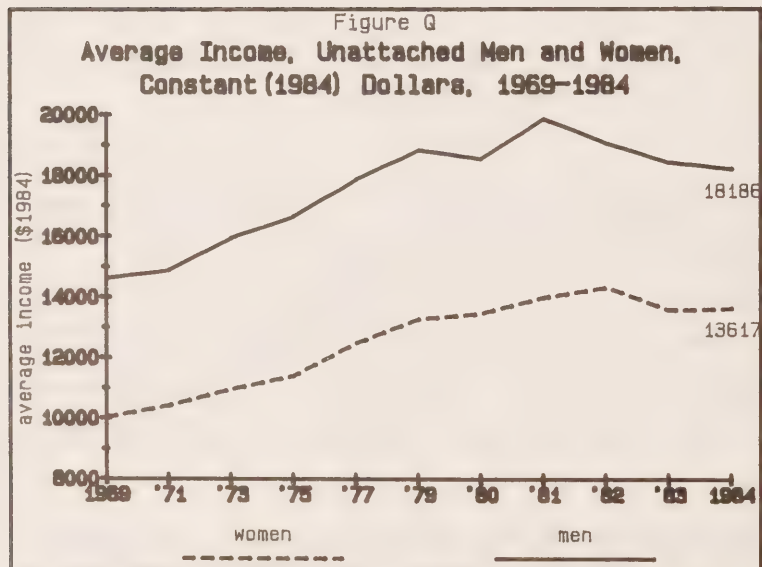
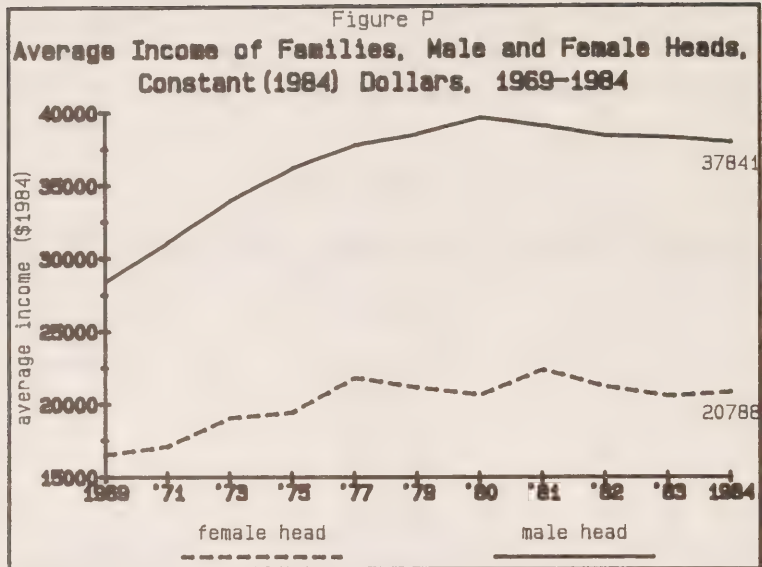
However the recent trend is not favourable. **The incomes of Canadian families have decreased in real terms since 1980.** The average family income in 1984 was an estimated \$35,853 - \$2,088 less than in 1980, when the average family had \$37,941 (in 1984 dollars). The final figure for 1984 probably will be a bit higher than the preliminary estimate, which means that average family income was about the same in 1984 as in 1983.

TABLE 38

Average Income of Unattached Individuals, 1969-1984

<u>Year</u>	<u>actual</u>	<u>constant (\$ 1984)</u>
1969	\$ 3,980	\$12,261
1971	4,346	12,595
1973	5,149	13,229
1975	6,595	13,787
1977	8,254	14,867
1979	10,375	15,723
1980	11,435	15,731
1981	13,535	16,553
1982	14,861	16,403
1983	15,027	15,681
1984	15,694	15,694
<u>percentage change</u>		
1969/1984		28.0%
1980/1984		-0.2

The long-term improvement in the incomes of unattached individuals also has ended in the 'eighties. Table 38 shows that the income of unattached Canadians averaged \$15,694 at last count (1984) - 28 percent more than in 1969 when their average income was \$3,980, or \$12,261 in constant (1984) dollars. However their income has not increased in real terms since 1979, when they averaged \$15,723 after taking into account the effect of inflation on the value of the dollar - virtually the same as their estimated \$15,694 average for 1984.



Families headed by men have enjoyed larger income increases than families led by women (mostly single-parent families) over the years. The average income of male-led families increased by one-third from 1969 to 1984, whereas families headed by women averaged 26 percent more over the same period. In 1969, the average income of families headed by women was 58 percent of the average income of male-led families; in 1984, families led by women reported an average income only 55 percent of that for male-headed families. Table 39 also shows that families led by men have seen their income decline steadily in real terms since 1980; the trend is similar for female-led families, except that their estimated average income in 1984 increased slightly over 1983.

TABLE 39

Average Family Income, by Sex of Head, 1969-1984

<u>Year</u>	<u>Female Head</u>		<u>Male Head</u>	
	<u>actual</u>	<u>constant (\$ 1984)</u>	<u>actual</u>	<u>constant (\$ 1984)</u>
1969	\$ 5,360	\$16,512	\$ 9,217	\$28,394
1971	5,901	17,102	10,727	31,088
1973	7,413	19,046	13,204	33,925
1975	9,291	19,424	17,293	36,153
1977	12,089	21,774	20,947	37,729
1979	13,910	21,080	25,397	38,489
1980	14,969	20,593	28,781	39,594
1981	18,264	22,337	31,884	38,994
1982	19,143	21,130	34,700	38,302
1983	19,662	20,518	36,578	38,170
1984	20,788	20,788	37,841	37,841
<u>percentage change</u>				
1969/1984		25.9%		33.3%
1980/1984		0.9		-4.4

The trends are different for unattached women and men. Unattached women experienced a 36 percent real increase in their average income between 1969 and 1984, compared to a 24 percent increase for unattached men. As a result, **the average income of unattached women as a percentage of that of men rose from 69 percent in 1969 to 75 percent in 1984.** A glance down the columns marked "constant (\$ 1984)" in Table 40 shows that the average income of unattached women was about the same in 1984 as in 1980, whereas the average income of unattached men has declined steadily since 1981.

TABLE 40

Average Income of Unattached Individuals, by Sex, 1969-1984

<u>Year</u>	<u>Women</u>		<u>Men</u>	
	<u>actual</u>	<u>constant (\$ 1984)</u>	<u>actual</u>	<u>constant (\$ 1984)</u>
1969	\$ 3,256	\$10,030	\$ 4,746	\$14,621
1971	3,597	10,424	5,136	14,885
1973	4,267	10,963	6,206	15,945
1975	5,450	11,394	7,964	16,650
1977	6,923	12,470	9,919	17,866
1979	8,754	13,267	12,427	18,833
1980	9,776	13,449	13,461	18,518
1981	11,430	13,979	16,239	19,860
1982	12,964	14,310	17,250	19,040
1983	12,981	13,546	17,629	18,396
1984	13,617	13,617	18,186	18,186
<u>percentage change</u>				
1969/1984		35.8%		24.4%
1980/1984		1.3		-1.8

Table 41 charts trends in the average incomes of families according to the age of their heads. To simplify matters, we express incomes in constant (1984) dollars.

TABLE 41
Average Family Income, by Age of Head, 1969-1984

	<u>Constant (1984) dollars</u>					
	<u>Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65 and over</u>
1969	\$21,247	\$26,995	\$30,322	\$32,430	\$28,684	\$16,913
1980	26,804	35,587	41,761	44,291	40,043	26,393
1981	26,236	34,852	41,436	45,378	38,835	25,182
1982	23,886	33,268	39,751	44,546	38,415	26,576
1983	22,196	33,557	40,019	43,769	38,969	25,186
1984	22,419	33,104	40,156	43,755	37,222	26,385
 <u>percentage change</u>						
1969/84	5.5%	22.6%	32.4%	34.9%	29.8%	56.0%
1980/84	-16.4%	-7.0	-3.8	-1.2	-7.0	0.0

The most striking finding is the poor position of young families. The average income of families headed by Canadians under 25 was \$22,419 in 1984 - little more than what it was in 1969. Their average income has declined in constant dollars by \$4,385 since 1980 - a hefty 16 percent drop. However the downward trend halted in 1984.

Older families, on the other hand, have experienced substantial income gains over the years. Families headed by elderly Canadians have enjoyed a 56 percent rise in their real income since the end of the

'sixties. Again, however, families headed by persons in all age groups have seen their incomes remain the same or decline since 1980.

Table 42 finds that unattached individuals aged 65 and over enjoyed a sizable gain in their real income from 1969 to 1984. The younger unattached saw smaller increases, except for those aged 35 to 44. Those under 25 registered a larger increase (21 percent) in their income over the years than the young who head families (6 percent, as shown in the previous table). **With the exception of the elderly, the average incomes of unattached Canadians for the most part have declined in the past few years.** However, the decline halted in 1984 for those under 34, and 45 to 54. The unattached elderly gained a bit in 1984.

TABLE 42

**Average Income of Unattached
Individuals, by Age, 1969-1984**

Constant (1984) Dollars

	<u>under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65 and over</u>
1969	\$ 9,698	\$17,372	\$22,091	\$14,830	\$11,934	\$ 7,779
1980	12,628	20,294	23,018	19,071	15,624	11,233
1981	14,065	21,393	23,625	20,101	15,399	11,619
1982	12,886	20,567	22,758	19,338	16,291	11,981
1983	11,415	19,563	23,418	18,707	16,494	11,077
1984	11,740	19,754	21,394	18,572	14,511	11,961
 <u>percentage</u> <u>change</u>						
1969/84	21.1%	13.7%	-3.2%	25.2%	21.6%	53.8%
1980/84	-7.0	-2.7	-7.1	-2.6	-7.1	6.5

Table 43 charts estimated average incomes from 1980 to 1984 for families in different income groups. Total income is divided into five equal groups or 'quintiles'. (Estimates are by the National Council of Welfare).

TABLE 43

Average Family Income, by Quintile, 1980-1984

	<u>Constant (1984) Dollars</u>					
	<u>lowest quintile</u>	<u>second quintile</u>	<u>middle quintile</u>	<u>fourth quintile</u>	<u>highest quintile</u>	<u>highest/ lowest</u>
1980	\$11,762	\$24,661	\$34,905	\$45,718	\$72,846	6.2
1981	11,913	24,012	34,064	44,860	71,478	6.0
1982	11,467	22,935	32,764	43,867	70,806	6.2
1983	11,241	22,300	32,271	43,693	71,614	6.4
1984	10,577	21,691	31,909	43,202	71,885	6.8
 <u>percentage change</u>						
1980/84	-10.1%	-12.0%	-8.6%	-5.5%	-1.3%	
1983/84	-5.9	-2.7	-1.1	-1.1	0.4	

Families in each income quintile had lower estimated average incomes in 1984 than in 1980. However **families in the two lowest groups suffered the largest loss in percentage terms, while those in the top two quintiles saw only slight reductions.** As a result, the gap between the lowest and highest quintiles has widened, as indicated by the 'highest/lowest' column in Table 43.

TABLE 44

Average Income of Unattached Individuals, by Quintile, 1980-1984

	<u>Constant (1984) Dollars</u>					
	<u>lowest quintile</u>	<u>second quintile</u>	<u>middle quintile</u>	<u>fourth quintile</u>	<u>highest quintile</u>	<u>highest/ lowest</u>
1980	\$ 3,540	\$ 7,394	\$12,192	\$20,215	\$35,316	10.0
1981	4,138	7,863	12,994	20,774	36,997	8.9
1982	4,019	7,792	12,631	20,422	37,236	9.3
1983	3,763	7,448	11,369	18,974	36,929	9.8
1984	3,610	7,690	11,849	19,225	36,096	10.0
 <u>percentage change</u>						
1980/84	2.0%	4.0%	-2.8%	-4.9%	2.2%	
1983/84	-4.1	3.2	4.2	1.3	-2.3	

Unattached individuals in the lowest income group had marginally better average incomes in 1984 than in 1980, but the trend has been downward since 1981. The trend is similar for those in the top income quintile, although they gained fractionally more from 1980 to 1984 and lost less from 1983 to 1984. The ratio of highest to lowest indicates that **the gap between rich and poor unattached Canadians has grown steadily since 1981.**

b. earnings trends (Tables 45 to 47)

Table 45 looks at trends in the average earnings of women and men from 1971 to 1982. (Data for 1984 will be published in the spring of 1986).

Women realized a substantial 21 percent real increase in their average earnings between 1971 and 1982, whereas men's average earnings increased only marginally during the same period. In 1971, the average Canadian woman earned less than half the average man earned; this ratio has improved steadily over the years, though women still earn much less than men (not much more than half at last count).

TABLE 45
Average Earnings, by Sex, 1971-1982

	<u>Women</u>		<u>Men</u>		<u>women/men</u>
	<u>actual</u>	<u>constant (\$ 1982)</u>	<u>actual</u>	<u>constant (\$ 1982)</u>	
1971	\$ 3,307	\$ 8,683	\$ 7,056	\$18,526	47%
1973	3,887	9,048	8,402	19,558	46
1975	5,200	9,849	10,815	20,484	48
1977	6,442	10,512	12,690	20,708	51
1979	7,673	10,535	14,981	20,569	51
1981	9,653	10,696	18,159	20,120	53
1982	10,472	10,472	19,164	19,164	55
 <u>percentage change</u>					
1971/1982		21%		3%	
1977/1982		0		-7	
1981/1982		-2		-5	

Women's average earnings in 1982 were almost exactly the same in real terms as in 1977, as the column "constant (\$ 1982)" shows, and slipped slightly from 1981 to 1982. Men's average earnings have declined steadily since 1977; the latest figure - \$19,164 in 1982 - is 7 percent below the average for 1977, which was \$20,708 when adjusted for inflation.

The marked difference in earnings between the sexes is not simply because more women than men work part-time. The sex differential persists even we divide earnings into full-time and part-time, though it is less pronounced than when both categories are added together as in Table 45.

Table 46 shows that women working full-time averaged 64 percent of men's full-time earnings, while women with part-time jobs earned 63 percent of their male counterparts. The earnings of full-time male workers declined slightly in real value from 1977 to 1982, while women working full-time remained about the same. By contrast, both women and men working part-time experienced a loss in average earnings over the five-year period. (Table 46 gives the averages in constant 1982 dollars).

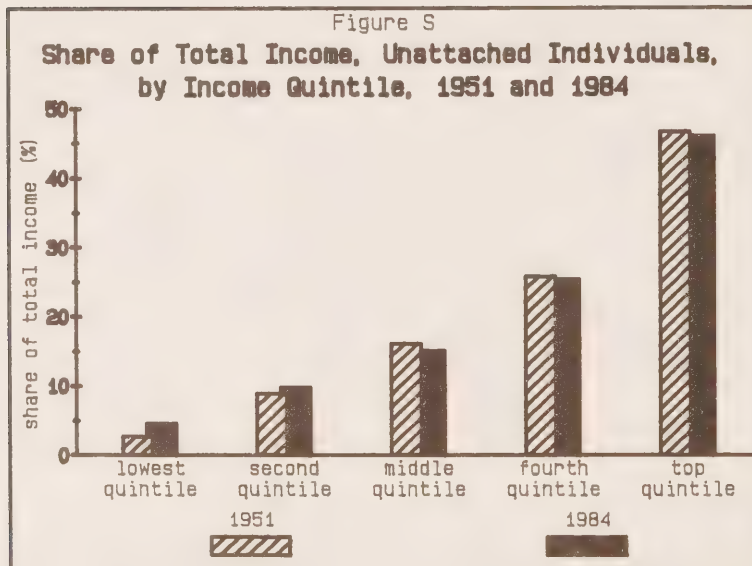
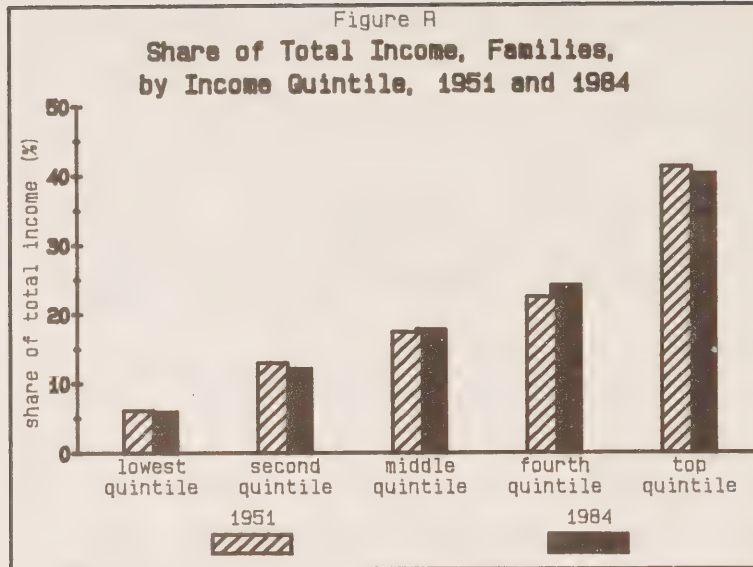
TABLE 46
Average Earnings, by Part-Time/Full-Time
Worker Status and Sex, 1977 to 1982

	Constant (\$ 1982)					
	full-time			part-time		
	women	men	women/men	women	men	women/men
1977	\$15,975	\$25,745	62%	\$ 5,819	\$ 9,575	61%
1979	16,120	25,451	63	5,768	9,984	58
1981	16,186	25,434	64	5,881	9,498	62
1982	16,056	25,096	64	5,497	8,771	63
percentage change						
1977/82	1%	-3%		-6%	-8%	
1981/82	-1	-1		-7	-8	

Table 47 looks at the average earnings of different age groups since 1977. Young workers under age 19 experienced a substantial drop of 32 percent in average earnings from 1977 (\$4,975 in 1982 dollars) to 1982 (\$3,400), while those in the 20 to 24 group saw their earnings decline by 16 percent during the same period. The older the age group, the smaller the decline over the years; workers 65 and over actually saw a slight increase in their average earnings.

TABLE 47
Average Earnings, by Age, 1977 to 1982

	<u>Constant (\$ 1982)</u>						
	<u>under 19</u>	<u>20-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65 and over</u>
1977	\$4,975	\$11,920	\$18,418	\$21,471	\$21,235	\$19,048	\$9,451
1979	4,877	11,694	18,476	21,097	20,805	19,308	8,713
1981	4,034	11,467	17,629	20,761	20,509	18,681	9,110
1982	3,400	9,958	16,512	20,017	20,094	18,232	9,659
<u>percentage change</u>							
1977/82	-32	-16	-10	-7	-5	-4	2
1981/82	-16	-13	- 6	-4	-2	-2	6



THE DISTRIBUTION OF INCOME

Another way of looking at poverty is to compare the shares of income held by Canadians in different income groups. 'Income distribution', as it is termed, is very unequal in our society and the degree of inequality is on the increase.

Table 48 divides both families and unattached persons into five equal groups and then compares the share of income going to each group in 1951 and 1984. Table 49 shows the income levels which correspond to each group (known as a "quintile" or fifth). Two features stand out: **Income is distributed in a highly unequal and regressive manner, and there has been little progress in redistributing income over the last thirty-odd years.**

TABLE 48

Shares of Total Income by Income Quintile, 1951 and 1984

	<u>Families</u>		<u>Unattached Individuals</u>	
	<u>1951</u>	<u>1984</u>	<u>1951</u>	<u>1984</u>
lowest quintile	6.1%	5.9%	2.7%	4.6%
second quintile	12.9	12.1	8.9	9.8
middle quintile	17.4	17.8	16.1	15.1
fourth quintile	22.4	24.1	25.8	24.5
highest quintile	41.1	40.1	46.6	46.0

Note: "Quintile" means fifth; total income is divided into five equal groups (see Table 49 for corresponding income levels).

TABLE 49
Upper Limits of Income Quintiles, 1984

	<u>Families</u>	<u>Unattached Individuals</u>
lowest quintile	\$16,258	\$6,395
second quintile	26,911	9,180
middle quintile	37,109	15,000
fourth quintile	50,451	24,033

Note: Families in the lowest income quintile are those with incomes up to \$16,258; those in the second quintile have incomes between \$16,259 and \$26,911; those in the middle quintile have incomes between \$26,912 and \$37,109; and so on.

Income is divided in a highly regressive manner: The higher the income group, the greater its share. Families in the lowest income group have only 5.9 percent of total family income. The highest-income families, in contrast, enjoy 40.1 percent of total family income - seven times the poor group's share. The distribution of income among unattached individuals is even more skewed: The top group gets 46.0 percent of total income - ten times the bottom group's 4.6 percent share.

Nor has the unequal distribution of income improved much over the years. In 1951 the lowest-income group of families had 6.1 percent of family income; in 1984 their share was fractionally smaller (5.9 percent). Middle and upper-middle income families increased their share of income somewhat over the 33-year period. The top income group saw a modest decline in its share of income, though at 40.1 percent it still far exceeds the shares of other groups. The distribution of income among unattached individuals has become somewhat less regressive since 1951, but it is still more unequally apportioned than is family income.

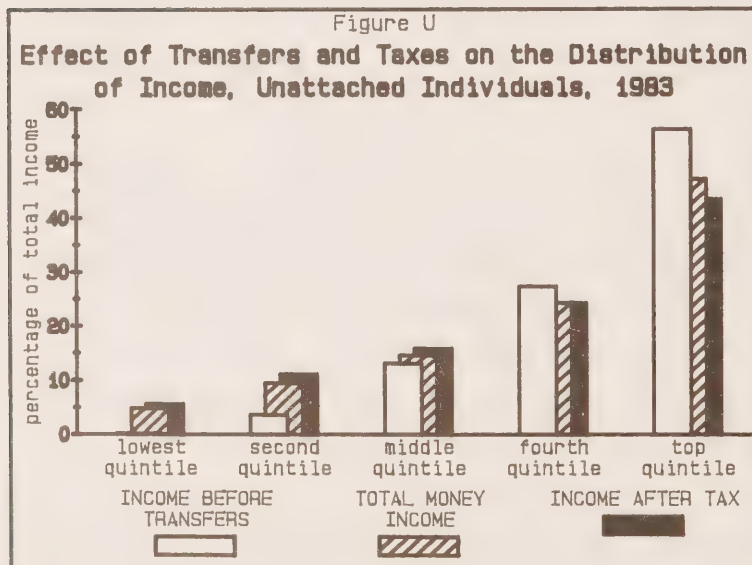
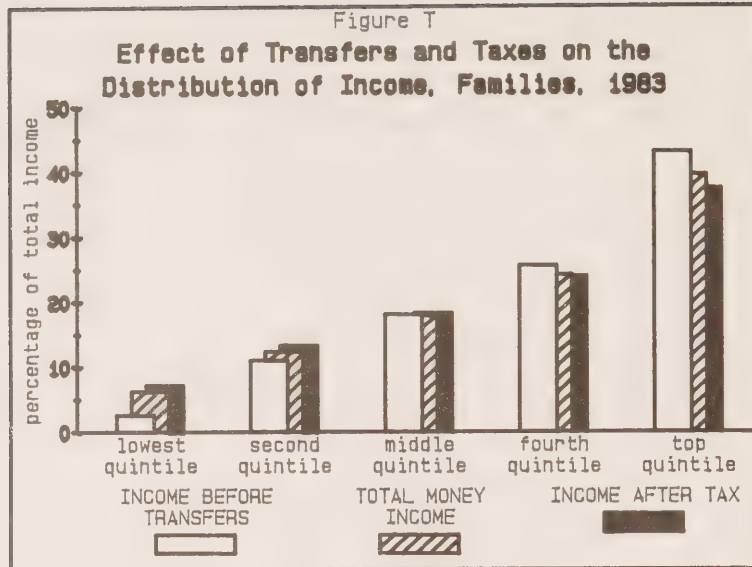
TABLE 50
Shares of Total Income, by Income Quintile, 1980-1984

<u>Families</u>					
Quintile	1980	1981	1982	1983	1984
lowest	6.2%	6.4%	6.3%	6.2%	5.9%
second	13.0	12.9	12.6	12.3	12.1
middle	18.4	18.3	18.0	17.8	17.8
fourth	24.1	24.1	24.1	24.1	24.1
highest	38.4	38.4	38.9	39.5	40.1

<u>Unattached Individuals</u>					
Quintile	1980	1981	1982	1983	1984
lowest	4.5%	5.0%	4.9%	4.8%	4.6%
second	9.4	9.5	9.5	9.5	9.8
middle	15.5	15.7	15.4	14.5	15.1
fourth	25.7	25.1	24.9	24.2	24.5
highest	44.9	44.7	45.4	47.1	46.0

Table 50 looks at recent trends in the distribution of income. **Since 1981, families in the lowest income group have received a steadily declining share of income**, as have those in the second and middle quintiles. Upper-middle income families' share is unchanged at 24.1 percent. By contrast, **upper-income families have increased their disproportionate share of income in recent years.**

Unattached individuals in the bottom income group also have seen their share of income dwindle each year since 1981. There is no clear pattern for the other quintiles, although unattached Canadians in the highest group got a larger proportion of income in 1984 than in 1980.



The gap between the rich and poor would be even wider were it not for government transfer programs and income taxes. Table 51 shows the distribution of income before and after taxes and transfers for 1983, the most recent year for which figures are available.

TABLE 51
The Impact of Taxes and Transfers on the
Distribution of Income, 1983

	<u>Income Before Transfers</u>	<u>Total Money Income</u>	<u>Income After Tax</u>
<u>Families</u>			
lowest quintile	2.6%	6.2%	7.2%
second quintile	11.0	12.3	13.3
middle quintile	18.0	17.8	18.2
fourth quintile	25.5	24.1	23.9
highest quintile	43.0	39.5	37.4
<u>Unattached Individuals</u>			
lowest quintile	0.2	4.8	5.6
second quintile	3.6	9.5	11.1
middle quintile	13.1	14.5	15.8
fourth quintile	27.3	24.2	24.2
highest quintile	56.3	47.1	43.4

The first column indicates that families in the lowest income group got only 2.6 percent of total family income in 1983. Once income from government programs - e.g., old age pensions, family allowances, the child tax credit, unemployment insurance, provincial tax credits - is taken into

account, families in the bottom two quintiles increase their share of total income, while those in the middle and upper levels receive less than before. (Note that the previous table shows income after transfer payments). Factor in the impact of federal and provincial income taxes, and low and middle-income families come out ahead, while those in the top two quintiles get somewhat smaller shares.

The results are similar for unattached individuals. Government transfers are essential to unattached individuals in the lowest income group, many of whom are pensioners who depend on Old Age Security, the Guaranteed Income Supplement and (where offered) provincial income supplements for most or all of their income.

On the other hand, **taxes and transfers clearly have a limited redistributive impact.** Even after paying income tax, families in the highest quintile receive five times the share of those in the bottom group, while upper-income unattached Canadians enjoy eight times the share of those in the lowest income category.

There is also evidence that income inequality is on the increase. Table 52 shows recent trends in the distribution of income before and after taxes and transfers.

Families and unattached individuals in the highest income quintile increased their share of total (before - taxes and transfers) income from 1981 to 1983. Taxes and transfers have not countered this trend, which means that **upper-income Canadians enjoyed an even larger share of after-tax income in 1983 than in 1981.** Conversely, families and unattached individuals in the lower and middle income ranges are getting smaller shares of the income pie, even after taxes and transfers are taken into account.

TABLE 52

The Impact of Taxes and Transfers, 1981 to 1983

	<u>Income Before Transfers</u>		<u>Total Money Income</u>			<u>Income After Tax</u>			
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Families</u>									
lowest quintile	3.3%	2.8%	2.6%	6.4%	6.3%	6.2%	7.3%	7.3%	7.2%
second quintile	12.1	11.4	11.0	12.9	12.6	12.3	13.7	13.5	13.3
middle quintile	18.6	18.2	18.0	18.3	18.0	17.8	18.6	18.4	18.2
fourth quintile	25.2	25.5	25.5	24.1	24.1	24.1	23.8	23.8	23.9
highest quintile	40.8	42.1	43.0	38.4	38.9	39.5	36.6	37.0	37.4
<u>Unattached Individuals</u>									
lowest quintile	0.1	0	0.2	5.0	4.9	4.8	5.9	5.8	5.6
second quintile	5.2	4.5	3.6	9.5	9.5	9.5	10.9	11.0	11.1
middle quintile	15.5	14.8	13.1	15.7	15.4	14.5	16.7	16.4	15.8
fourth quintile	28.0	28.0	27.3	25.1	24.9	24.2	24.9	24.8	24.2
highest quintile	51.2	52.8	56.3	44.7	45.4	47.1	41.6	42.0	43.4

CONCLUSION

Certain groups in Canadian society - single-parent families, the disabled, elderly widows, native persons, those with limited education - face a higher than average risk of poverty, whatever the state of the economy. The recession of the early 'eighties brought rising unemployment which, in turn, has added thousands more to the low-income population - an estimated 874,000 from 1980 to 1984. The 'new poor' include Canadians who normally have low poverty rates - families headed by men, Albertans, men and women in their 'prime' working years.

The national unemployment rate rose from 7.5 percent in 1980 to 11.3 percent in 1984 - a 50 percent increase in just four years. The average number of unemployed went from 865,000 in 1980 to 1,399,000 in 1984 - an increase of 62 percent.

Canadians are out of work longer now than in years past; the average duration of unemployment rose from 14.7 weeks in 1980 to 21.6 weeks in 1984. Men tend to remain unemployed longer than women. The number of Canadians without a job for a year or longer more than doubled from 136,000 in 1980 to 324,000 by 1984. The risk of unemployment for families led by men escalated from 4.2 percent in 1980 to 7.7 percent in 1984 - an increase of 83 percent; women who head families experienced a smaller percentage increase (from 10 percent in 1980 to 13.3 percent in 1984 - a one-third rise), though their jobless rate is still substantially higher. Wives' earnings are an increasingly important part of family income and a cushion against poverty; unfortunately, their jobless rate went from 7.4 percent in 1980 to 10.5 percent in 1984 - a 42 percent increase.

The poverty statistics do not mirror the unemployment figures - the jobless rate eased from 11.9 percent in 1983 to 11.3 percent in 1984, while the national poverty rate continued to increase - but they have

generally been moving in the same direction (upwards) during the 'eighties. There is simply no mistaking the link between unemployment and poverty in Alberta, for example. The province's family poverty rate doubled from 1981 to 1984 (from 8.3 percent to 16.3 percent) and the proportion of unattached Albertans with low incomes rose from 26 percent to 31 percent; during the same period, Alberta's unemployment rate tripled from 3.8 percent to 11.2 percent. The picture is similar in British Columbia, where family poverty rose by 65 percent and the jobless rate by 116 percent between 1981 and 1984, and Newfoundland (unemployment up by 54 percent, family poverty by 32 percent).

Youth unemployment is a serious social and economic problem, and again there is a strong link to low income. The jobless rate among Canadians under 25 went from 13.2 percent in 1980 to 19.9 percent in 1983, though it declined somewhat to 18.8 percent in 1984. The poverty trend is the same: The poverty rate for young family heads rose from 21.1 percent in 1980 to 34.7 percent by 1983 but improved to 31.3 percent in 1984. Among unattached young people, poverty went from 42.1 percent in 1980 to 49.3 percent in 1983 but eased to an estimated 47.1 percent in 1984.

Gradual improvements in the retirement income system have helped reduce the risk of poverty among elderly Canadians, particularly the large and growing number - most of them women - who end up living on their own. A series of increases in the federal Guaranteed Income Supplement - the most recent a \$50 a month raise for pensioners receiving the GIS at the single rate - have contributed to the steady decrease in the poverty rate for unattached seniors. The extension this year of the Spouse's Allowance to an additional 85,000 men and (mainly) women will help reduce the extent of poverty among 60 to 64 year-old unattached individuals, 46.9 percent of whom had low incomes in 1984.

The May 1985 Budget forecast that unemployment will remain above the 10 percent mark this year and the next, and its projections for 1987 through 1990 ranged from a low of 7.8 percent to a high of 10 percent. If the current high levels of unemployment continue, poverty probably will continue to increase as well.

APPENDIX

Statistics Canada Revised (1978 Base) Low Income Cut-Offs

	<u>Community Size</u>				
<u>Family Size</u>	<u>500,000 and over</u>	<u>100,000 - 499,999</u>	<u>30,000 - 99,999</u>	<u>Less than 30,000</u>	<u>Rural</u>
<u>1984</u>					
1	\$ 9,839	\$ 9,345	\$ 8,766	\$ 8,104	\$ 7,276
2	12,981	12,321	11,495	10,666	9,510
3	17,365	16,456	15,380	14,307	12,734
4	20,010	19,017	17,778	16,537	14,720
5	23,318	22,078	20,590	19,183	17,117
6	25,468	24,062	22,492	20,920	18,687
7 or more	28,032	26,543	24,807	23,070	20,590
<u>1985*</u>					
1	10,233	9,719	9,117	8,428	7,567
2	13,500	12,814	11,955	11,093	9,890
3	18,060	17,114	15,995	14,879	13,243
4	20,810	19,778	18,489	17,198	15,309
5	24,251	22,961	21,414	19,950	17,802
6	26,487	25,024	23,392	21,757	19,434
7 or more	29,153	27,605	25,799	23,993	21,414

* estimates by National Council of Welfare

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CA1
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CA1
HW 700
- P56

POVERTY PROFILE **1988**

a report by the
national council of welfare

April 1988

Canada

POVERTY P R O F I L E
1 9 8 8

April 1988

Copies of this publication may be obtained from:

National Council of Welfare
Brooke Claxton Building
Ottawa K1A 0K9
(613) 957-2961

Également disponible en français sous le titre:

Profil de la pauvreté - 1988

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Cat. No. H67-1/4-1988E
ISBN 0-662-15938-1

Author: Ken Battle

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INTRODUCTION

Poverty in Canada has been a see-saw affair over the past two decades. It declined during the 'seventies, increased during the early 'eighties as a result of the recession and eased in 1985 and 1986, the most recent years for which statistics are available.

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In 1969 4,851,000 women, men and children - close to one-quarter of the population - were below the poverty line. By 1981 the number of people with low incomes had dropped to 3,495,000 or 14.7 percent of the population. The recession of 1981-82 brought rising unemployment which added 719,000 Canadians to the poverty rolls between 1981 and 1984. By 1984 the number of low-income Canadians hit 4,214,000 or 17.3 percent of the population.

Fortunately poverty has eased in the past few years. In 1985 it declined to 3,951,000 persons or 16.0 percent of the population. At last count (1986) 3,689,000 Canadians had incomes below the poverty line, which amounts to 14.9 percent of the population. More than half a million individuals (525,000) were removed from the ranks of the poor between 1984 and 1986.

The real success story is the reduction in poverty among Canada's elderly. In 1980 61.5 percent of unattached seniors were below the poverty line. By 1986 42.7 percent had low incomes - still high, but much better than at the beginning of the decade. The poverty rate for families with heads 65 or older declined from 41.4 percent in 1969 to 14.2 percent in 1980 and just 9.5 percent in 1986. Improvements in the retirement income system, such as the federal Guaranteed Income Supplement for the low-income elderly and the maturation of the Canada and Quebec Pension Plans, largely take the credit for fighting poverty among the aged.

Despite the welcome progress against poverty, 3.7 million Canadians remain poor, including more than a million children under age 16 (1,016,000 in 1986) or one child in every six.

Certain groups are particularly vulnerable to poverty. Over half (56.0 percent) of one-parent families headed by women are poor. Six in ten children being raised by a sole-support mother are poor. Four in ten unattached women (those who live alone or with non-relatives) are poor. Almost half of unattached Canadians below the age of 25 were poor at last count, as were 42.7 percent of the unattached elderly. Families headed by persons under 25 also face poor odds: three in ten had low incomes in 1986.

There are wide regional variations in poverty, just as there are in unemployment and average incomes. Newfoundland has the highest poverty rates (two in ten families and half of single Newfoundlanders have low incomes). Ontario has the lowest poverty rates, with fewer than one in ten families and three in ten unattached individuals living below the poverty line in 1986.

The 'feminization of poverty' is a striking long-term trend, although it has not increased during the 'eighties. In 1961 13.2 percent of low-income families were headed by women; by 1986 their proportion had almost tripled to 35.1 percent. Women comprise 61.6 percent of poor unattached individuals. Females are overrepresented among Canada's poor: they make up 56.1 percent of all children and adults living on low incomes as opposed to 50.8 percent of the population as a whole.

This report presents a detailed statistical portrait of poverty in Canada and looks both at poverty today and changes in poverty over time. The study also charts trends in average incomes and earnings and examines the unchanging unequal distribution of income.

DEFINITIONS

Every year Statistics Canada conducts a household survey of families and unattached individuals to obtain information on the distribution of income as well as the nature and extent of poverty in Canada. The survey on which this report is based, conducted in April of 1987, sampled 35,612 private households from all parts of the country except for the Yukon and Northwest Territories, Indian reserves and institutions (prisons, mental hospitals, homes for the elderly, and so on). As a result, the survey underestimates the true extent of poverty in this country. The study looked at incomes for the 1986 calendar year.

The 1986 statistics presented in this report are taken mainly from Statistics Canada's Income Distributions by Size in Canada, 1986. Data for earlier years are from previous editions of that document. Some of the statistics in this report are previously unpublished and were provided to the National Council of Welfare by Statistics Canada. The Council is grateful to officials at Statistics Canada for their assistance, though of course they are in no way responsible for our analysis and interpretation of the data.

The poverty statistics that follow are broken down according to families and unattached individuals. The survey which gathered the data defines a **family** as "a group of individuals sharing a common dwelling unit and related by blood, marriage or adoption". An **unattached individual** is a "person living alone or in a household where he/she is not related to other household members".

In families consisting of married couples with or without children, the husband is considered to be the **head**. In single-parent families with unmarried children, the parent is defined as the head, while

the member who is the major breadwinner is the head in one-parent families with married children. In families where relationships are neither husband-wife nor parent-child, the eldest member normally is considered as the head.

Income is money income reported by all family members 15 years or older from the following sources: wages and salaries (before deductions for income taxes, unemployment insurance and pension plans), net income from self-employment, investment income, government transfer payments (e.g., family allowances, the child tax credit, Old Age Security, provincial tax credits), pensions and miscellaneous (e.g., scholarships, alimony). The definition of income excludes gambling wins and losses, capital gains or losses, receipts from the sale of property or personal belongings, income tax refunds, loans received or repaid, lump sum settlements of insurance policies and income in kind (e.g., free meals, living accommodation, food or fuel produced on the family's or individual's own farm).

Statistics on the low-income population are calculated using Statistics Canada's **low income cut-offs** which are set at levels where, on average, 58.5 percent of income (20 percentage points above the average) goes to food, clothing and shelter. The low income cut-offs vary according to size of family and of community. We use the terms "low income cut-off" and "poverty line" synonymously.

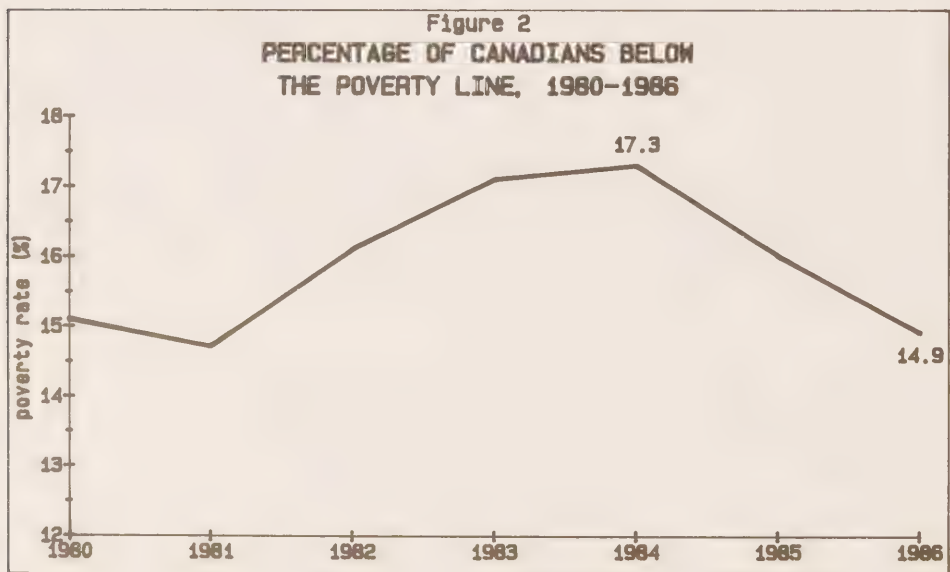
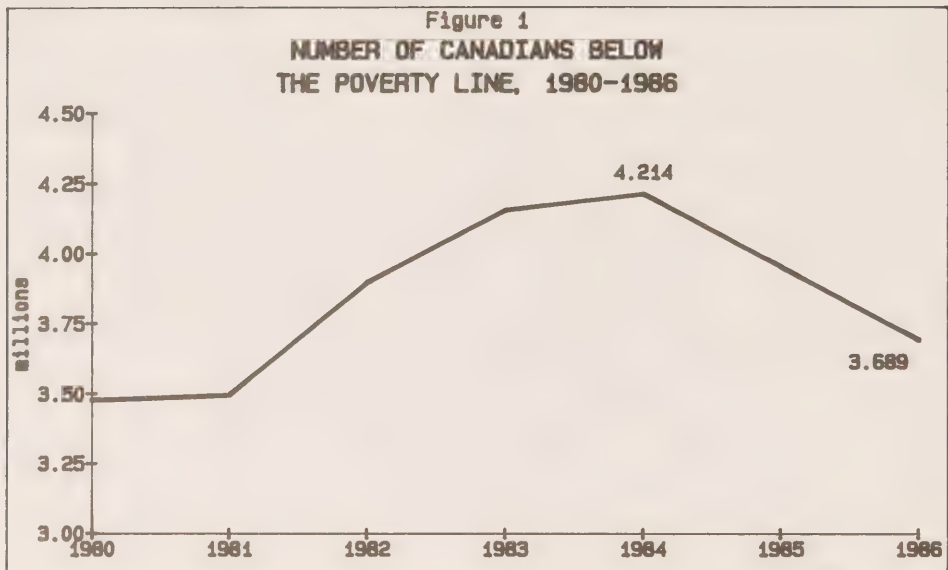
The Appendix gives the low income lines used to produce the poverty statistics presented in this report. The National Council of Welfare's publication 1988 Poverty Lines explains the poverty lines and gives estimates for 1988 as well as final figures for 1980 through 1987.

A **poor** or **low-income** family (we use the terms synonymously) has an income below the poverty line, while a "non-poor"

family has an income above the poverty line. The same thing applies for unattached individuals.

The tables in the following two chapters give two types of information. The **number of poor** families and unattached individuals indicates the actual number of families or unattached persons in each category, while the **poverty rate** expresses the number of low-income families or unattached persons as a percentage of all families or unattached persons in a particular category. (The term "incidence of poverty" is sometimes used as a synonym for poverty rate). For example, there were an estimated 3,689,000 low-income Canadians in 1986 and they represented 14.9 percent of the total population (3,689,000 divided by 24.8 million). The higher the poverty rate, the greater the risk of poverty for a family or unattached individual in a given category.

The chapter entitled "The Changing Face of Poverty" is based on an analysis of changes in the composition of poverty as measured by poverty shares or distributions. The **distribution of poverty** is the percentage of the low-income population that is made up by families, unattached individuals or persons in different categories such as age, sex and employment status. For example, females make up 56.1 percent of low-income Canadians; since their share of all Canadians (poor and non-poor together) is only 50.8 percent, we can say that women are over-represented among the poor.



POVERTY TRENDS

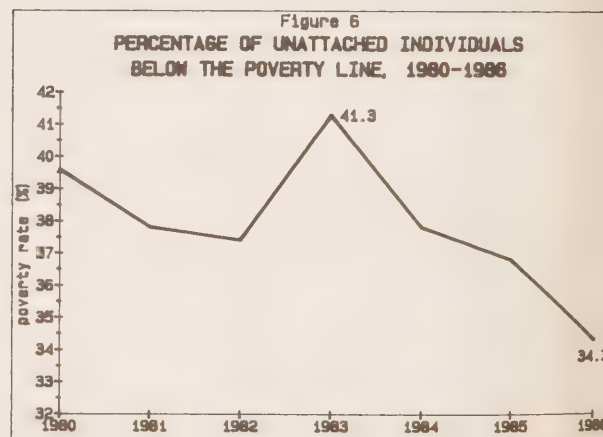
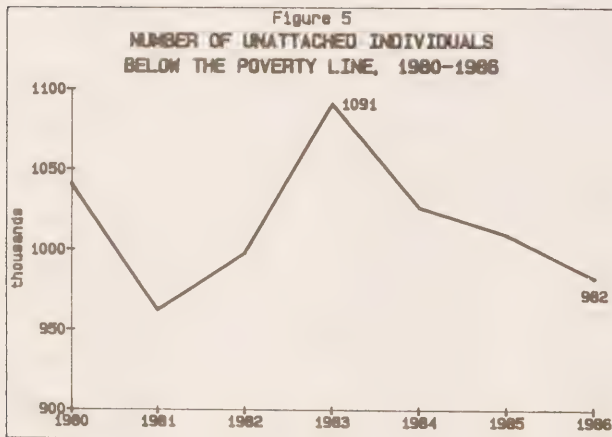
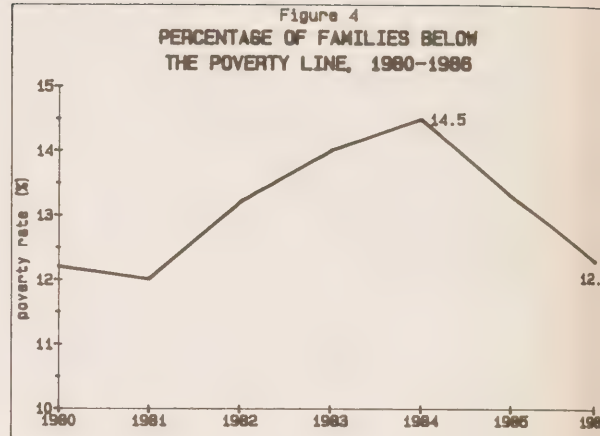
a. The General Picture (Table A, Figures 1 to 6)

At the end of the 'sixties, 23 percent of the Canadian population - one person in four - were below the poverty line. The most recent statistics, for 1986, show poverty at 14.9 percent - one Canadian in seven. The incidence of poverty was cut by one-third from 1969 to 1986.

TABLE A

POVERTY TRENDS, 1969-1986

	<u>Families</u>		<u>Unattached Individuals</u>		<u>All Persons</u>	
	<u>Poverty Rate</u>	<u>Number</u>	<u>Poverty Rate</u>	<u>Number</u>	<u>Poverty Rate</u>	<u>Number</u>
1969	20.8%	1,002,000	42.8%	693,000	23.1%	4,851,000
1979	13.1	788,000	40.3	1,011,000	15.7	3,728,000
1980	12.2	745,000	39.6	1,041,000	15.1	3,475,000
1981	12.0	768,000	37.8	962,000	14.7	3,495,000
1982	13.2	869,000	37.4	998,000	16.1	3,897,000
1983	14.0	924,000	41.3	1,091,000	17.1	4,155,000
1984	14.5	972,000	37.8	1,026,000	17.3	4,214,000
1985	13.3	908,000	36.8	1,009,000	16.0	3,951,000
1986	12.3	851,000	34.3	982,000	14.9	3,689,000
<u>Percentage Change</u>						
1969/86	-40.9%	-15.1%	-19.9%	41.7%	-35.5%	-24.0%
1980/86	0.8	14.2	-13.4	-5.7	-1.3	6.2
1985/86	-7.5	-6.3	-6.8	-2.7	-6.9	-6.6



While poverty declined during the 'seventies, it increased substantially during the first half of the 'eighties as a result of the recession of 1981/82. However poverty has eased over the past few years.

In 1980 3,475,000 women, men and children lived below the poverty line - 15.1 percent of all Canadians. Their ranks swelled steadily and significantly until they reached 4,214,000 or 17.3 percent of the population in 1984. Fortunately the number and percentage of poor Canadians has fallen since to 3,951,000 and 16.0 percent in 1985 and 3,689,000 or 14.9 percent in 1986. Figure 1 traces the trend in the number of low-income Canadians from 1980 to 1986, while Figure 2 shows the overall poverty rate.

The up-and-down trend in family poverty is similar. The percentage of Canadian families with low incomes fell from 20.8 percent in 1969 to 12.0 percent in 1981, rose to 14.5 percent by 1984 and then eased to 13.3 percent in 1985 and 12.3 percent in 1986. The number of families below the poverty line went from 745,000 in 1980 to 972,000 in 1984 and declined to 908,000 in 1985 and 851,000 in 1986. Figures 3 and 4 plot the trends.

The poverty rate has fluctuated for unattached Canadians, as indicated in Figure 5. It peaked at 41.3 percent in 1983 and fell to a low of 34.3 percent in 1986. However close to a million (982,000) unattached individuals - one in three - are below the poverty line. They are three times more likely to be poor than persons who live in families (34.3 percent as opposed to 12.3 percent).

b. Poverty by Province (Tables B to D, Figures 7 to 25)

Table B summarizes the latest low-income statistics for each province. Ontario and Newfoundland are at opposite ends of the poverty spectrum.

The family poverty rate ranges widely from a low of 8.7 percent in Ontario to a high of 21.2 percent in Newfoundland. The percentage of low-income unattached individuals varies from 28.3 percent in Ontario to 49.1 percent in Newfoundland. The poverty rate for all persons - women, men and children together - goes from 10.8 percent in Ontario to 22.8 percent in Newfoundland.

TABLE B
POVERTY BY PROVINCE, 1986

	<u>Families</u>		<u>Unattached Individuals</u>		<u>All Persons</u>	
	<u>Poverty Rate</u>	<u>Number</u>	<u>Poverty Rate</u>	<u>Number</u>	<u>Poverty Rate</u>	<u>Number</u>
Newfoundland	21.2%	30,600	49.1%	12,800	22.8%	128,300
P.E.I.	9.8	3,400	41.8	4,900	13.1	16,500
Nova Scotia	14.5	33,200	35.9	29,500	16.3	134,900
New Brunswick	14.3	27,200	37.4	22,600	16.2	110,500
Quebec	15.3	285,100	44.6	329,000	18.1	1,192,000
Ontario	8.7	216,200	28.3	292,600	10.8	969,200
Manitoba	14.5	40,800	30.2	38,300	17.7	180,600
Saskatchewan	16.4	42,600	33.2	40,300	19.8	189,700
Alberta	10.7	66,400	31.0	81,500	13.5	306,100
B.C.	13.3	105,500	33.0	131,600	16.3	461,600
Canada	12.3%	851,000	34.3%	982,000	14.9%	3,689,00

Figure 7
PERCENTAGE OF FAMILIES BELOW
THE POVERTY LINE, BY PROVINCE, 1986

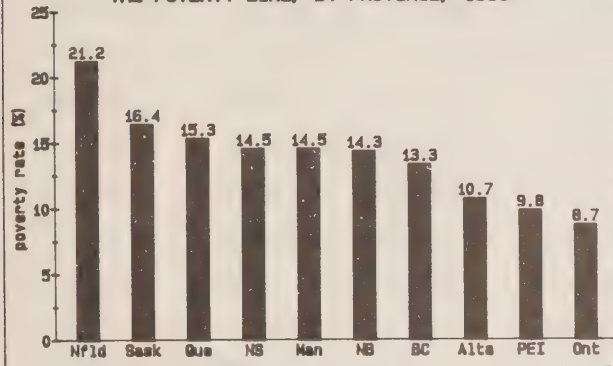


Figure 8
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, BY PROVINCE, 1986

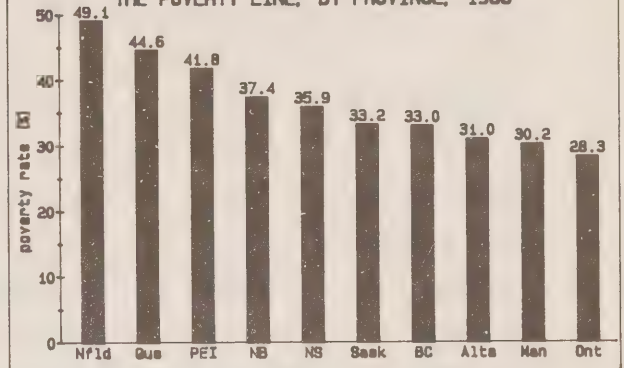


Figure 9
PERCENTAGE OF PERSONS BELOW
THE POVERTY LINE, BY PROVINCE, 1986

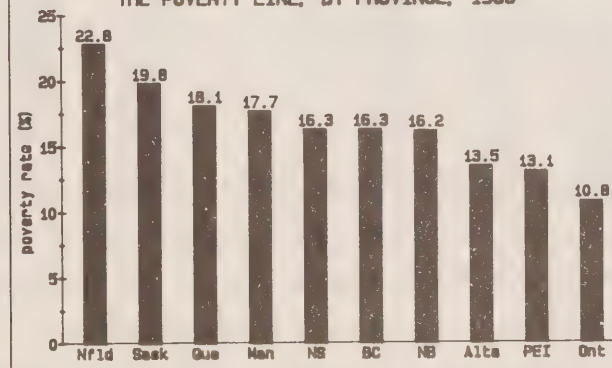


TABLE C
FAMILY POVERTY, BY PROVINCE, 1981 AND 1986

	<u>1981</u>		<u>1986</u>		<u>Percentage Change</u>	
	<u>Poverty Rate</u>	<u>Number</u>	<u>Poverty Rate</u>	<u>Number</u>	<u>1981/1986</u> <u>Poverty</u> <u>Rate</u>	<u>Number</u>
Newfoundland	17.4%	23,000	21.2%	30,600	21.8%	33.0%
P.E.I.	15.0	4,600	9.8	3,400	-34.7	-26.1
Nova Scotia	15.4	32,300	14.5	33,200	-5.8	2.8
New Brunswick	17.6	31,500	14.3	27,200	-18.8	-13.7
Quebec	14.8	253,400	15.3	285,100	3.4	12.5
Ontario	9.9	229,600	8.7	216,200	-12.1	-5.8
Manitoba	14.5	38,400	14.5	40,800	0.0	6.3
Saskatchewan	14.9	36,900	16.4	42,600	15.3	15.4
Alberta	8.3	49,200	10.7	66,400	28.9	35.0
B.C.	9.4	69,100	13.3	105,500	41.5	52.7
Canada	12.0%	768,000	12.3%	851,000	2.5%	10.8%

All provinces except Prince Edward Island experienced an increase in family poverty as a result of the recession of the early 'eighties. Most provinces have seen a decline in family poverty since 1984, the exceptions being Manitoba and Saskatchewan which had the same percentage of low-income families in 1986 as 1984. Figures 10 through 19 show the trends in family poverty in each province during the 'eighties.

Table C compares the family poverty statistics in 1981 and 1986 for each province. In four provinces - Prince Edward Island, Nova Scotia, New Brunswick and Ontario - by 1986 family poverty had fallen below the rate for 1981. Manitoba had the same percentage of its families in poverty in 1981 and 1986. The remaining provinces still have higher rates of family poverty than when the recession began in the early 'eighties. Saskatchewan, Alberta and British Columbia have significantly higher rates of family poverty now than they did in 1981.

Figure 10
PERCENTAGE OF FAMILIES BELOW
THE POVERTY LINE, NEWFOUNDLAND, 1981-1986

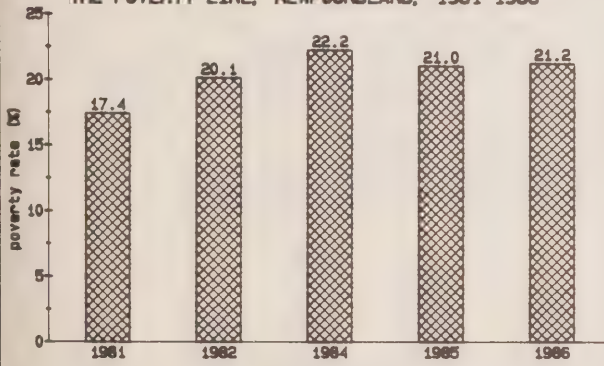


Figure 11
PERCENTAGE OF FAMILIES BELOW THE POVERTY
LINE, PRINCE EDWARD ISLAND, 1981-1986

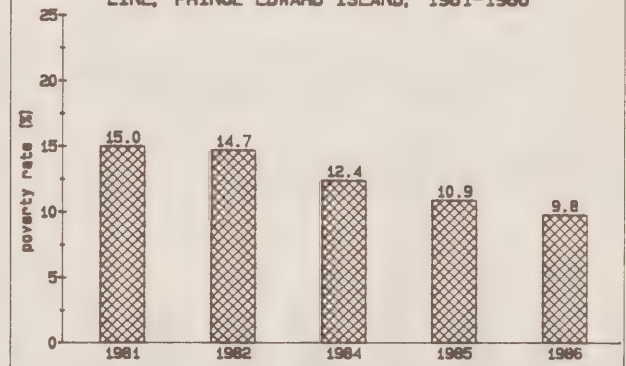


Figure 12
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, NOVA SCOTIA, 1981-1986

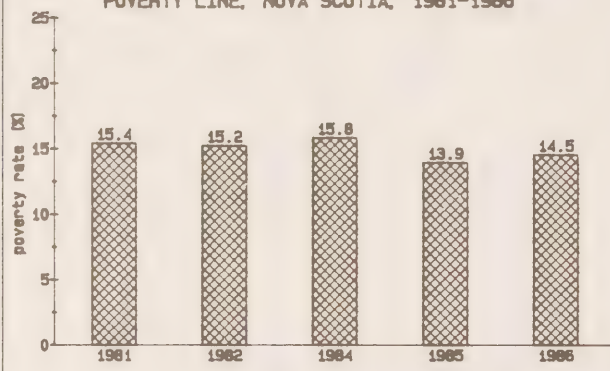


Figure 13
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, NEW BRUNSWICK, 1981-1986

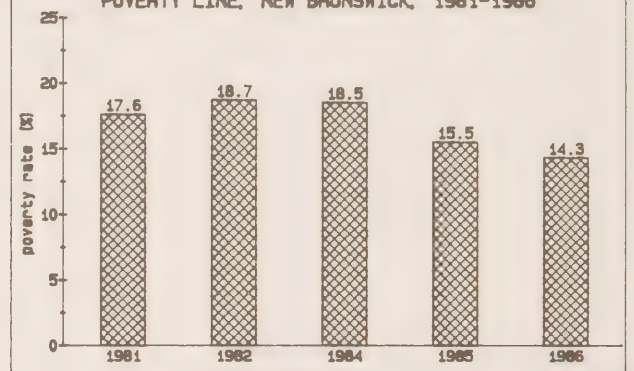


Figure 14
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, QUEBEC, 1980-1986

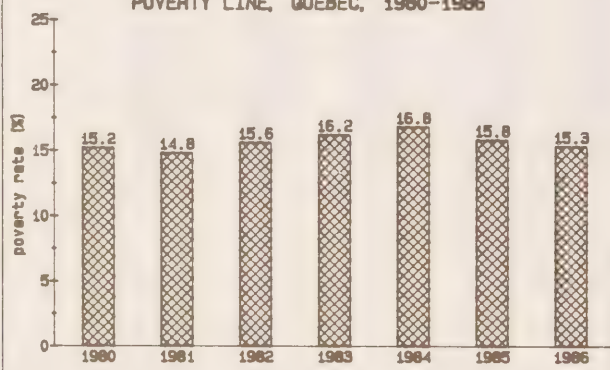


Figure 15
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, ONTARIO, 1980-1986

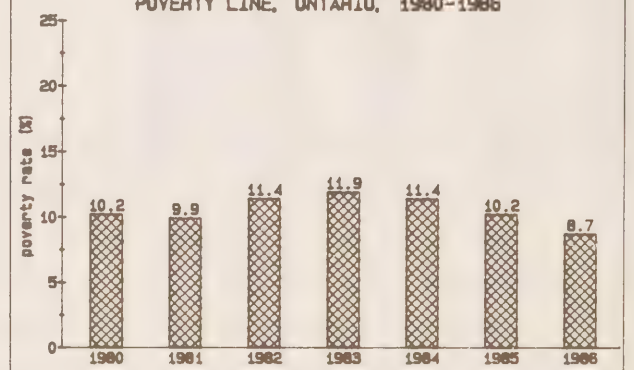


Figure 16
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, MANITOBA, 1981-1986

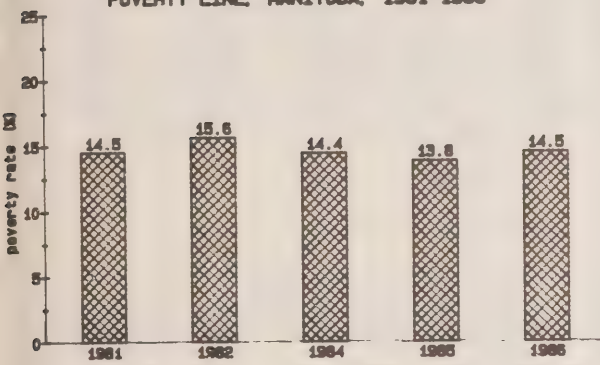


Figure 17
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, SASKATCHEWAN, 1981-1986

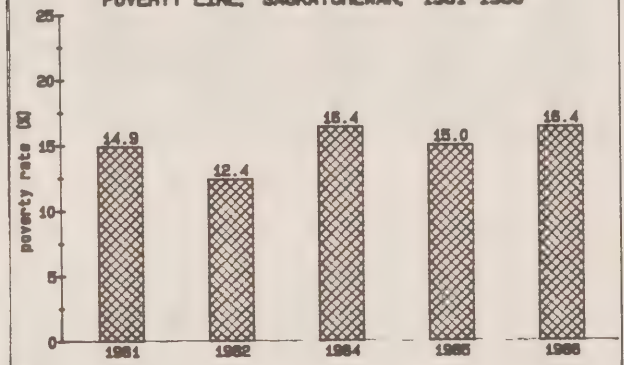


Figure 18
PERCENTAGE OF FAMILIES BELOW THE
POVERTY LINE, ALBERTA, 1981-1986

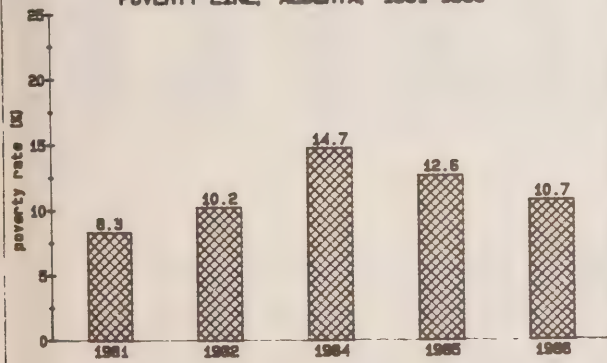


Figure 19
PERCENTAGE OF FAMILIES BELOW THE POVERTY
LINE, BRITISH COLUMBIA, 1980-1986

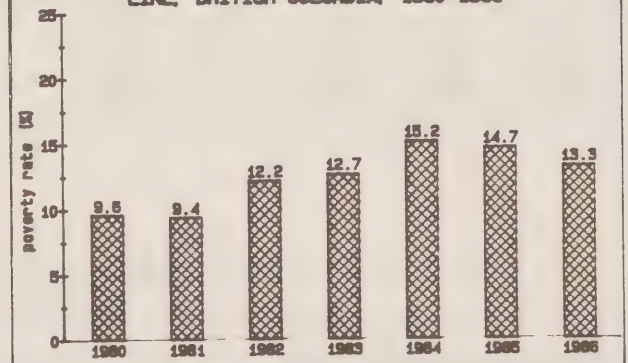


TABLE D
POVERTY AMONG UNATTACHED INDIVIDUALS,
BY PROVINCE, 1981 AND 1986

	<u>1981</u>		<u>1986</u>		<u>Percentage Change</u> <u>1981/1986</u>	
	<u>Poverty</u> <u>Rate</u>	<u>Number</u>	<u>Poverty</u> <u>Rate</u>	<u>Number</u>	<u>Poverty</u> <u>Rate</u>	<u>Number</u>
Newfoundland	42.7%	10,600	49.1%	12,800	15.0%	20.8%
P.E.I.	46.1	4,800	41.8	4,900	-9.3	2.1
Nova Scotia	42.9	31,700	35.9	29,500	-16.3	-6.9
New Brunswick	43.7	22,100	37.4	22,600	-14.4	2.3
Quebec	48.5	314,600	44.6	329,000	-8.0	4.6
Ontario	34.3	301,100	28.3	292,600	-17.5	-2.8
Manitoba	37.4	42,300	30.2	38,300	-19.3	-9.5
Saskatchewan	37.1	38,500	33.2	40,300	-10.5	4.7
Alberta	26.2	74,100	31.0	81,500	18.3	10.0
B.C.	34.1	122,200	33.0	131,600	-3.2	7.7
Canada	37.8%	962,000	34.3%	982,000	-9.3%	2.1%

Table D shows that unattached individuals in most provinces faced a lower risk of poverty in 1986 than in 1981. The notable exceptions are Newfoundland and Alberta, where substantially more unattached individuals are poor today than when the recession began.

Figures 20 through 29 illustrate the trends in poverty among unattached individuals in each province during the 'eighties.

Figure 20
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, NEWFOUNDLAND, 1981-1986

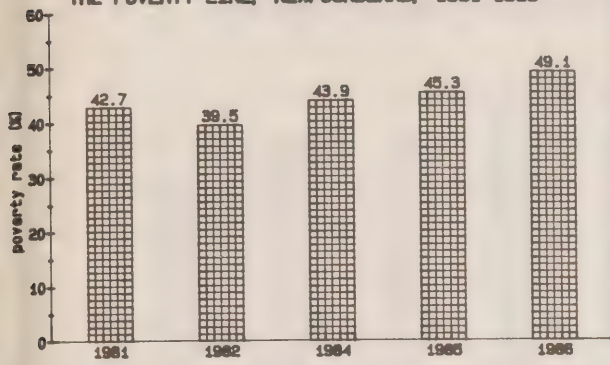


Figure 21
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW THE
POVERTY LINE, PRINCE EDWARD ISLAND, 1981-1986

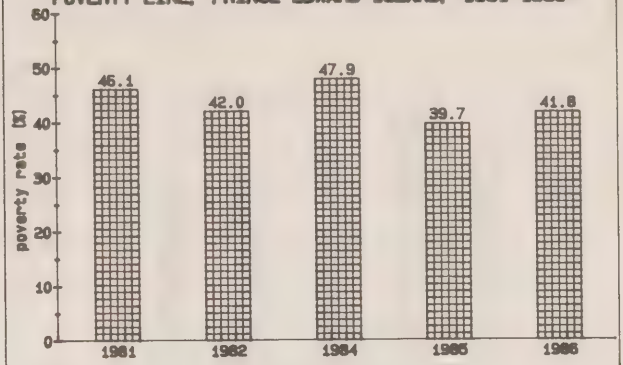


Figure 22
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, NOVA SCOTIA, 1981-1986

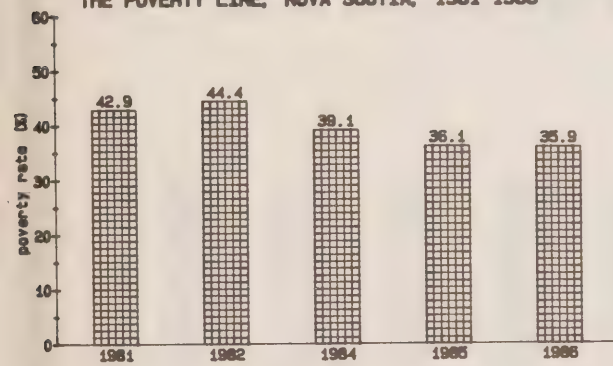


Figure 23
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, NEW BRUNSWICK, 1981-1986

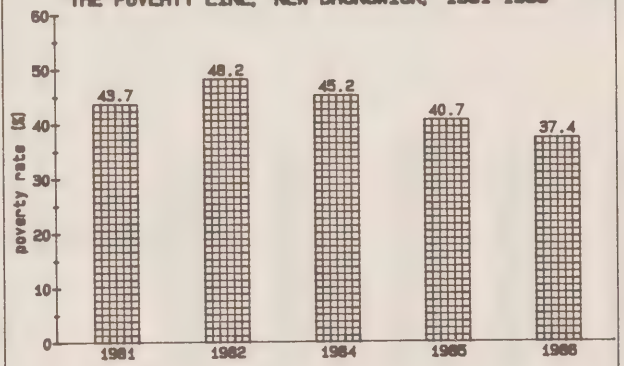


Figure 24
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, QUEBEC, 1980-1986

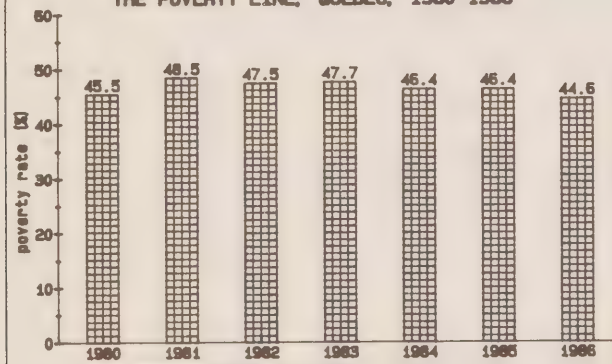


Figure 25
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, ONTARIO, 1980-1986

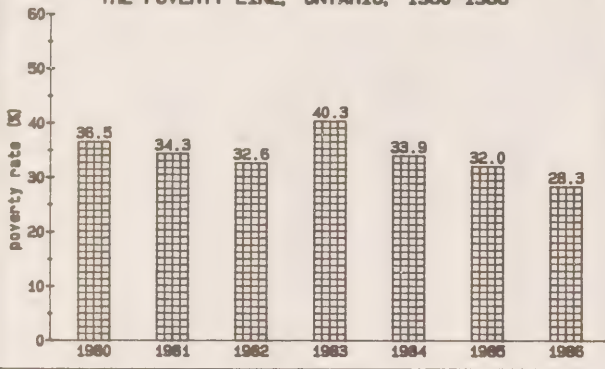


Figure 26
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, MANITOBA, 1981-1986

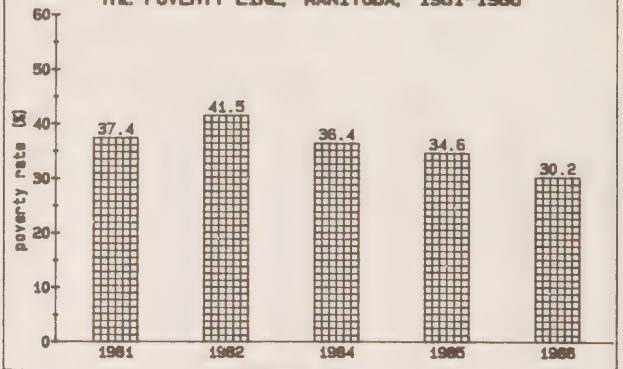


Figure 27
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, SASKATCHEWAN, 1981-1986

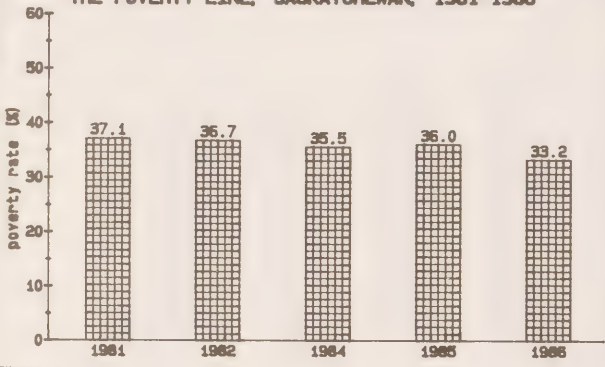


Figure 28
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, ALBERTA, 1981-1986

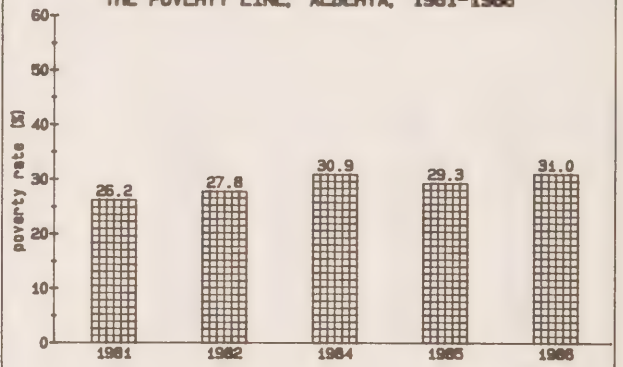
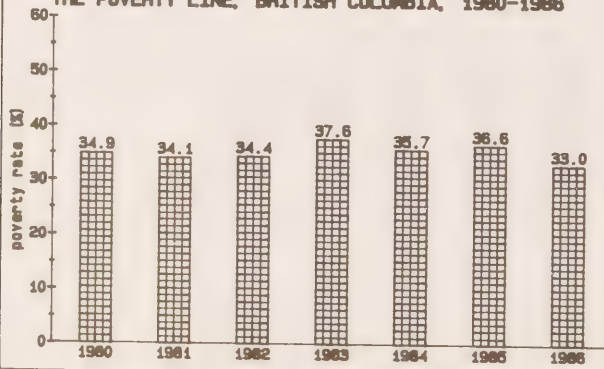


Figure 29
PERCENTAGE OF UNATTACHED INDIVIDUALS BELOW
THE POVERTY LINE, BRITISH COLUMBIA, 1980-1986



c. Poverty by Sex (Tables E to G, Figures 30 and 31)

Four in ten families headed by women are poor, compared to only one in ten led by men. An estimated 298,700 families headed by women - 38.7 percent of all female-led families - had low incomes in 1986. The comparable poverty figures for families with male heads were 552,300 and 9.0 percent. (There are more poor male-led families, even though their poverty rate is much lower than that of families led by women, simply because there are so many more families in general headed by men).

Families led by women run over four times the risk of poverty as families with male heads. The poverty gap between female-led and male-led families has not narrowed appreciably since 1980.

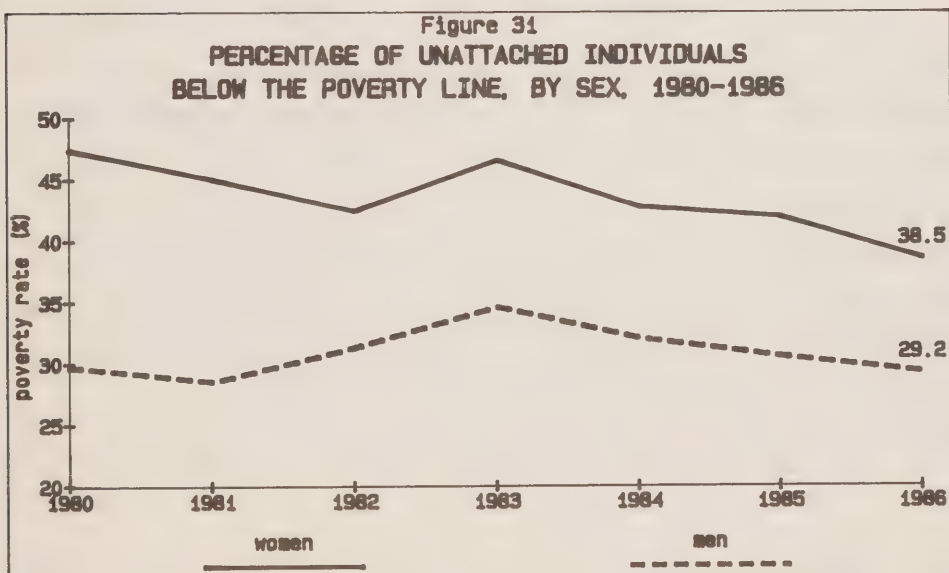
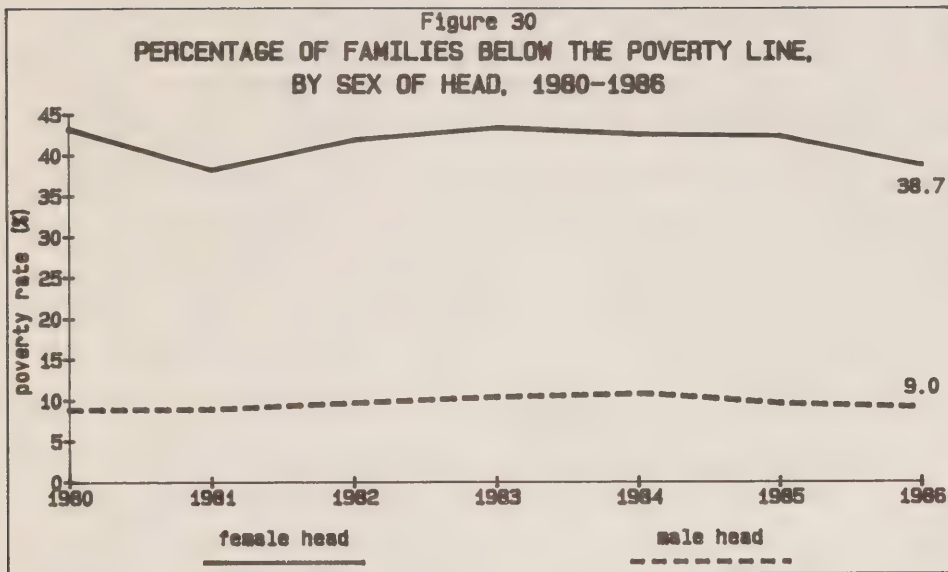
TABLE E
TRENDS IN FAMILY POVERTY,
BY SEX OF HEAD, 1980-1986

	<u>Female Head</u>		<u>Male Head</u>	
	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>
1980	43.2%	263,700	8.8%	481,300
1981	38.1	259,600	8.9	508,400
1982	41.9	303,300	9.7	565,700
1983	43.4	310,500	10.4	613,500
1984	42.5	332,400	10.8	639,600
1985	42.3	331,400	9.5	576,600
1986	38.7	298,700	9.0	552,300
<u>Percentage Change</u>				
1980/86	-10.4%	13.3%	2.3%	14.8%
1985/86	-8.5	-9.9	-5.3	-4.2

Unattached women run a greater risk of poverty than unattached men, though the gap between them is not as wide as it is for families headed by women and by men. Table F indicates that four in ten unattached women were poor in 1986 compared to three in ten unattached men. The percentage of unattached women living in poverty declined from 1983 to 1986, in part due to the significant reduction in poverty among the unattached elderly (discussed later). The poverty rate for unattached men increased from 1981 to 1983 but decreased from 1983 to 1986.

TABLE F
TRENDS IN POVERTY, UNATTACHED INDIVIDUALS,
BY SEX, 1980-1986

	<u>Women</u>		<u>Men</u>	
	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>
1980	47.4%	696,400	29.7%	344,600
1981	45.0	644,500	28.5	317,500
1982	42.4	629,700	31.3	368,300
1983	46.6	688,400	34.6	402,600
1984	42.7	632,000	32.0	394,000
1985	41.9	631,600	30.5	377,400
1986	38.5	604,900	29.2	377,100
<u>Percentage Change</u>				
1980/86	-18.8%	-13.1%	-1.7%	-9.4%
1985/86	-8.1	-4.2	-4.3	-0.1



Data on the total number of low-income Canadians (including children) of each sex are given below. Table G shows that two million females were poor at last count. They accounted for 56.1 percent of low-income Canadians but only 50.8 percent of all Canadians. Women are even more overrepresented among the elderly poor: they comprise 71.7 percent of all seniors below the poverty line - much more than their 57.3 percent share of the entire (poor and non-poor) aged population.

TABLE G
POOR CANADIANS, BY SEX AND GENERATION, 1986

	<u>Female</u>		<u>Male</u>		<u>All</u>	
	<u>Number</u>	<u>Percentage Distribution</u>	<u>Number</u>	<u>Percentage Distribution</u>	<u>Number</u>	<u>Percentage Distribution</u>
Children (under 16)	487,700	48.0%	528,300	52.0%	1,016,000	100.0%
Adults (16 - 64)	1,236,900	56.4	956,100	43.6	2,193,000	100.0
Elderly (65 and Older)	344,200	71.7	135,800	28.3	480,000	100.0
TOTAL	2,069,500	56.1%	1,619,500	43.9%	3,689,000	100.0%

d. Child Poverty (Tables H to L, Figures 32 to 34)

Families with children experienced a substantial increase in poverty as a result of the recession, though the situation improved in 1985 and 1986. However family poverty rates still have not returned to their pre-recession levels.

Table H gives the trends in poverty according to the number of children under age 16 in the family. For all families, poverty peaked in 1984 and has declined since. However only childless couples had a lower poverty rate in 1986 than in 1980; families with children still run a higher risk of poverty now than at the start of the decade.

Childless couples are much less likely to be poor than are families with children. The poverty rate for families with one and two children is double that for families with no children. Families with three or more children have a high poverty rate - 21.5 percent, which means that one in every five are below the poverty line.

Table I compares the composition of poor and all families according to the number of children. One in three low-income families has no children (36.7 percent) compared to over half of all families (53.4 percent). Clearly, then, **the majority of low-income families have children, while less than half of all families now have children to support.** (Note, however, that Table I includes older families which are beyond normal child-rearing years). Among families with children, those with only one child are the largest category for both low-income and all families, followed by families with two children and those with three or more children.

TABLE H
TRENDS IN FAMILY POVERTY,
BY NUMBER OF CHILDREN, 1980-1986

	<u>Number of Poor Families</u>							
	<u>No Children</u>		<u>1 Child</u>		<u>2 Children</u>		<u>3 or More Children</u>	
	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>
1980	9.5%	283,100	14.5%	181,000	13.6%	176,600	18.5%	103,600
1981	8.7	275,700	13.9	191,200	13.7	175,100	21.6	126,000
1982	8.9	296,300	16.4	226,800	16.2	212,000	24.6	133,800
1983	9.8	329,900	17.0	243,000	17.1	217,100	24.6	134,900
1984	9.7	339,200	18.7	258,600	17.8	233,300	25.9	140,900
1985	8.8	316,900	17.0	232,400	16.8	226,100	25.2	131,700
1986	8.5	312,300	16.4	224,700	15.2	195,700	21.5	118,300
<u>Percentage Change</u>								
1980/86	-10.5%	10.3%	13.1%	24.1%	11.8%	10.8%	16.2%	14.2%
1985/86	-3.4	-1.5	-3.5	-3.3	-9.5	-13.4	-14.7	-10.2

TABLE I

DISTRIBUTION OF POOR AND ALL FAMILIES,
BY NUMBER OF CHILDREN, 1986

	<u>Poor Families</u>		<u>All Families</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
No children	312,300	36.7%	3,682,500	53.4%
One child	224,700	26.4	1,372,300	19.9
Two children	195,700	23.0	1,289,600	18.7
Three or more children	118,300	13.9	551,700	8.0
Total	851,000	100.0%	6,896,000	100.0%

TABLE J
POVERTY TRENDS, CHILDREN UNDER 16,
1980-1986

	<u>Number of Poor Children</u>	<u>Number of All Children</u>	<u>Poverty Rate</u>
1980	896,000	5,983,200	15.0%
1981	969,000	5,886,400	16.5
1982	1,113,000	5,865,900	19.0
1983	1,131,000	5,847,300	19.3
1984	1,209,000	5,816,200	20.8
1985	1,126,000	5,787,200	19.5
1986	1,016,000	5,759,100	17.6
 <u>Percentage Change</u>			
1980/86	13.4%	-3.7%	17.3%
1985/86	-9.8	0.5	-9.7

Child poverty rose sharply with the recession and has eased somewhat in the past few years, though it is still widespread. At last count more than a million children under the age of 16 - 1,016,000 - lived in low-income families. One child in six is poor.

Table J shows that the number of poor children increased from 896,000 in 1980 to 1,209,000 in 1984 and subsided to 1,016,000 in 1986. Even with the decline in 1985 and 1986, there were still many more poor children in 1986 than in 1980. The number of low-income children increased by 13.4 percent between 1980 and 1986, whereas the overall child population fell by 3.7 percent during the same period.

Figure 32
NUMBER OF POOR CHILDREN
UNDER AGE 16, 1980-1986

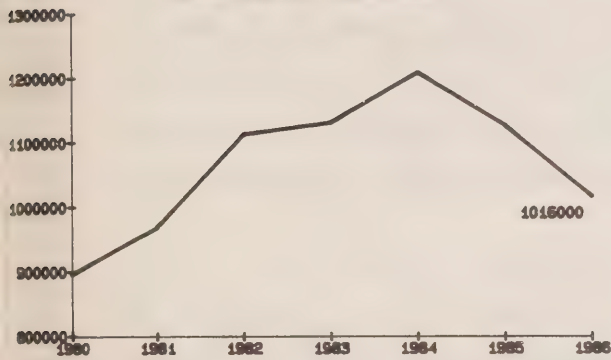


Figure 33
PERCENTAGE OF CHILDREN UNDER AGE 16
BELOW THE POVERTY LINE, 1980-1986



Figure 34
PERCENTAGE OF CHILDREN UNDER AGE 16
BELOW THE POVERTY LINE, BY PROVINCE, 1986

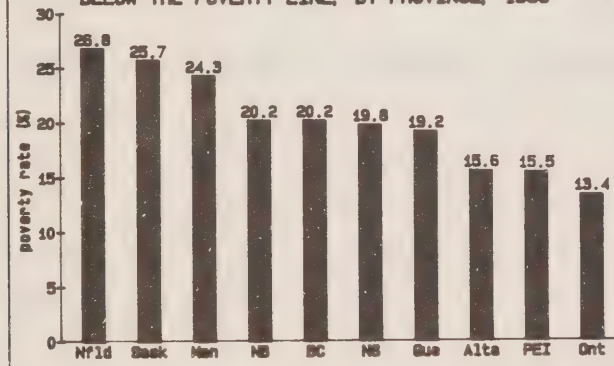


Figure 32 plots the trend in the number of low-income children under age 16 from 1980 to 1986 and Figure 33 gives child poverty rates.

Figure 34 ranks child poverty according to province. In 1986 Newfoundland had the highest proportion of poor children - 26.8 percent lived in low-income families - and Ontario, at 13.4 percent, had the lowest rate of child poverty. Table K, below, gives both the number and percentage of all low-income children in each province, as well as those being raised by two parents and by single-parent mothers. (Due to insufficient sample size, estimates of the number and percentage of children in single-parent families led by men in each province are not available).

TABLE K
CHILD POVERTY, BY PROVINCE AND TYPE OF FAMILY, 1986

<u>Poor Children Under Age 16</u>						
	<u>All Families</u>		<u>Couples</u>		<u>Female Single Parents</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Nfld.	44,600	26.8%	34,500	23.5%	7,800	72.9%
P.E.I.	5,100	15.5	3,500	12.0	1,300	49.8
N.S.	39,000	19.8	20,900	12.4	15,200	70.9
N.B.	33,600	20.2	19,700	13.7	12,900	76.4
Que.	282,100	19.2	181,200	14.1	89,300	64.1
Ont.	268,700	13.4	151,900	8.6	105,500	55.3
Man.	58,600	24.3	36,400	17.8	19,700	69.6
Sask.	64,600	25.7	42,200	19.4	19,600	68.7
Alta.	93,600	15.6	55,200	10.7	34,000	51.3
B.C.	126,300	20.2	65,000	12.3	55,900	70.5
CANADA	1,016,000	17.6%	610,400	12.2%	361,000	61.8%

Table K also shows wide interprovincial variations in child poverty for two-parent families and one-parent families headed by women. Child poverty among couples ranged from 23.5 percent in Newfoundland to 8.6 percent in Ontario; 34,500 or 23.5 percent of all (146,800) children living in two-parent families are poor in Newfoundland, compared to 151,900 or only 8.6 percent of Ontario's 1,766,300 children being raised in two-parent households. Newfoundland also has the highest child poverty rate for single-parent families led by women - 7,800 or 72.9 percent of all children being raised by sole-support mothers were poor in 1986 - while Prince Edward Island, at 49.8 percent, has the lowest rate, if one-half can be considered a 'low' figure.

Of the total 1,016,000 low-income children in Canada, 610,400 or 60.1 percent live in two-parent families; 361,000 or 35.5 percent are being raised by female single parents; the remaining 44,600 live with sole-support fathers. The comparable breakdown for all children (poor and non-poor together) are: 86.5 percent in two-parent families (4,995,550 children), 10.1 percent in female one-parent families (583,800 children) and 4.4 percent in father-led single-parent families (193,400 children).

Table L shows the number and percentage of low-income boys and girls under age 16 from 1981 through 1986, as well as the total number of boys and girls (i.e., poor and non-poor together). The poverty rate for girls under 16 - 17.5 percent in 1986 - is virtually the same as for boys - 17.7 percent. For both girls and boys, poverty rose significantly from 1981 to 1984 and eased in 1985 and 1986.

TABLE 1
CHILD POVERTY, BY SEX, 1981-1986

	Children Under 16					
	Girls			Boys		
	Number Poor	Poverty Rate	Number All	Number Poor	Poverty Rate	Number All
1981	470,000	16.6%	2,830,700	499,000	16.4%	3,042,100
1982	555,400	19.7	2,814,600	557,600	18.5	3,012,700
1983	529,300	19.0	2,778,700	601,700	20.3	2,962,400
1984	579,100	20.7	2,801,600	629,900	20.9	3,010,900
1985	548,400	19.5	2,812,100	577,600	19.5	2,962,200
1986	487,700	17.5	2,788,200	528,300	17.7	2,984,500
Percentage Change						
1981/1986	3.8%	5.3%	-1.5%	5.9%	7.9%	-1.9%
1985/1986	-11.1	-10.3	-0.9	-8.5	-9.2	0.8

e. Single Parents and Couples With Children (Table M, Figures 35 to 37)

TABLE M

**TRENDS IN POVERTY, SINGLE PARENTS AND
COUPLES WITH CHILDREN, 1981-1986**

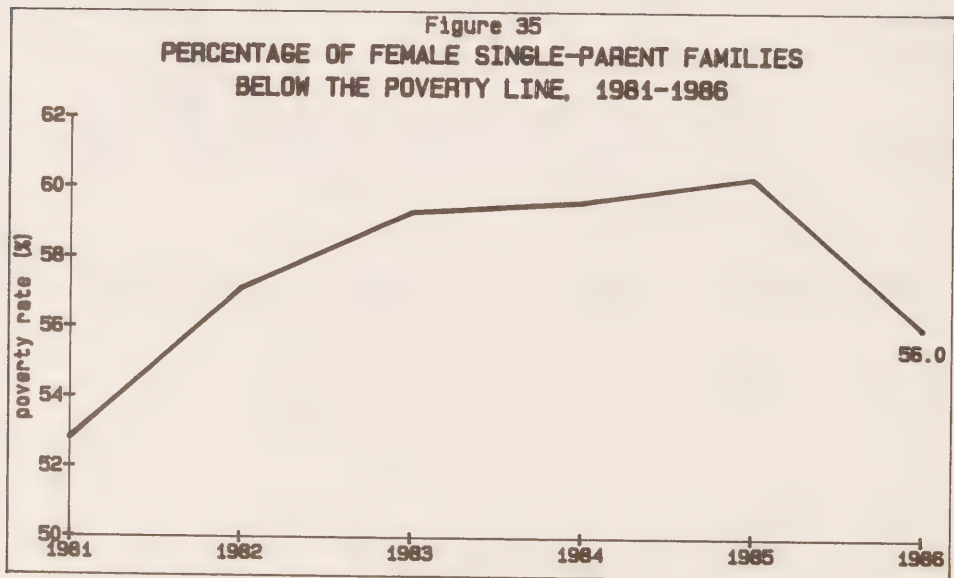
	<u>Female Single Parents</u>		<u>Male Single Parents</u>		<u>Couples With Children</u>	
	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>
1981	52.8%	199,000	15.5%	9,000	9.5%	289,000
1982	57.1	236,000	22.2	14,000	11.2	339,000
1983	59.3	232,000	27.1	13,000	12.0	358,000
1984	59.6	258,000	27.1	16,000	12.4	366,000
1985	60.3	261,000	26.8	15,000	11.1	332,000
1986	56.0	233,000	22.9	16,000	10.4	309,000
<u>Percentage Change</u>						
1981/1986	6.1%	17.1%	47.7%	77.8%	9.5%	6.9%
1985/1986	-7.1	-10.7	-14.6	6.7	-6.3	-6.9

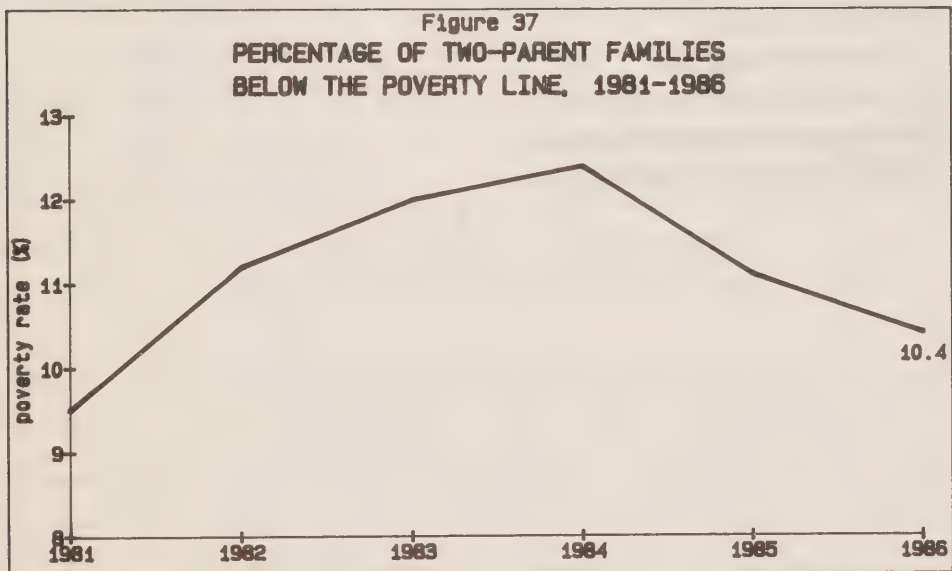
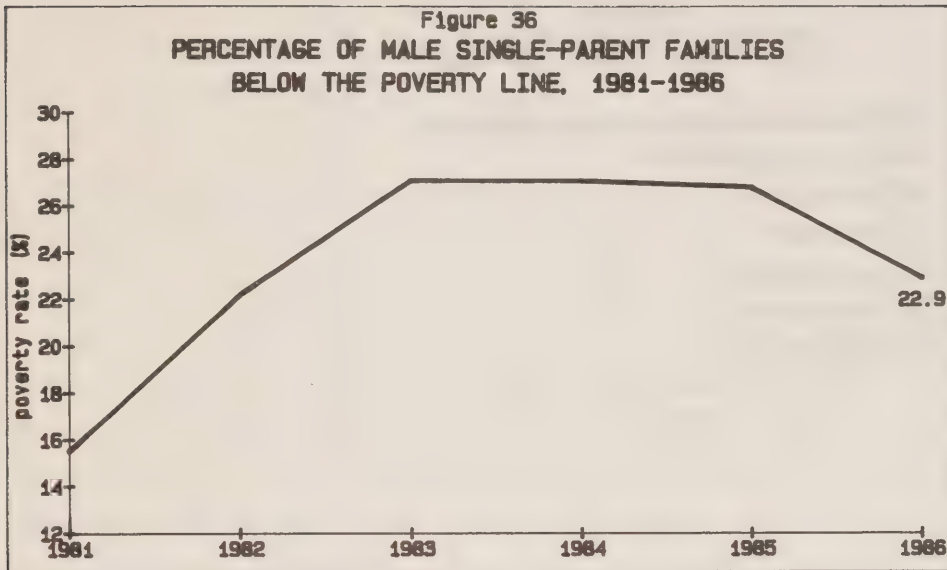
Note: Family heads are under age 65, children under age 18.

More than half of single-parent families led by women - 56.0 percent or 233,000 - had incomes below the poverty line at last count. Two in ten single-parent families headed by men - 22.9 percent or 16,000 - and only one in ten couples were poor in 1986. **Sole-support mothers face five times the risk of poverty as two-parent families.**

Fortunately family poverty has subsided since the mid-'eighties.

Figure 35 shows that the upward march of poverty among single-parent families headed by women peaked in 1985 and declined significantly in 1986. The poverty rates for male single parents and couples with children fell in 1985 and 1986, as illustrated in Figures 36 and 37.





f. Age (Tables N to P, Figures 38 to 40)

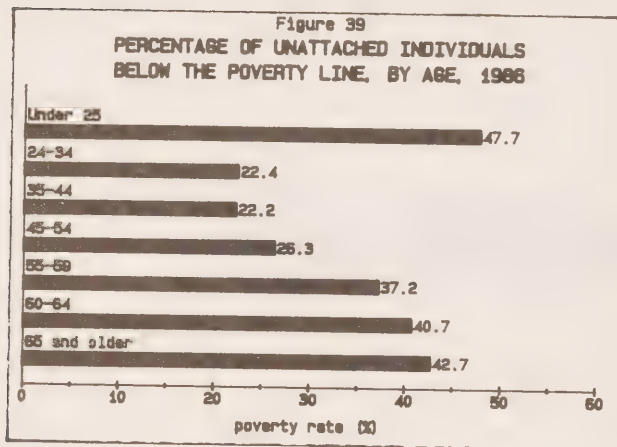
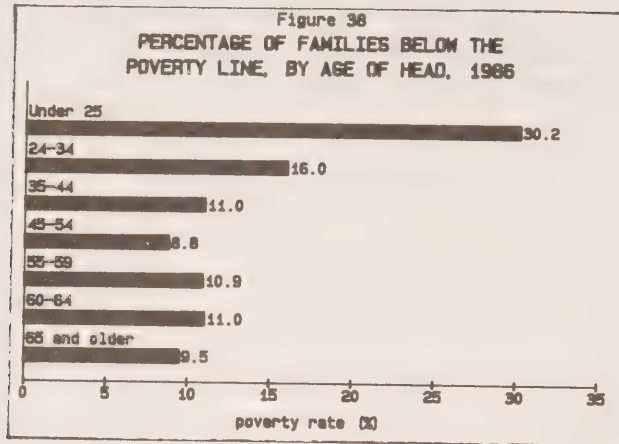


Figure 38 shows that families led by persons under age 25 are much more likely to live on low incomes than families with older heads. The risk of poverty declines until middle age (only 8.8 percent of families with heads from 45 to 54 were poor in 1986) and increases for those aged 55 to 64 (to 11.0 percent) but is only 9.5 percent for families with elderly heads.

Young and older unattached Canadians face a high risk of poverty - almost half of singles under age 25 and four in ten of the unattached elderly and those between 55 and 64 live below the poverty line. Figure 39 illustrates the poverty rates.

Poverty increased significantly in the early 'eighties among non-aged families but generally subsided after 1984. Table N shows that the poverty rate for families headed by persons under age 25 went from 21.2 percent in 1980 to 34.7 percent in 1983; eased to 30.1 percent in 1984; moved up again to 32.0 percent in 1985; and declined to 30.2 percent in 1986 - still substantially higher than in 1980. Families led by Canadians in the 25 to 34 age range are still more likely to be poor than they were in 1980, though their poverty rate has eased in the past few years. The poverty rate for families led by persons aged 35 to 64 was lower in 1986 than in 1980, though it increased in the mid-'eighties.

The picture is brighter for elderly families. Their poverty rate declined markedly from 41.4 percent in 1969 to 14.2 percent in 1980 and just 9.5 percent in 1986. Elderly families are better off than those in the near-aged (60 to 64) category - 11.0 percent of the latter had low incomes in 1986, compared to only 9.5 percent of the former. The poverty rate for elderly families is lower than that for families led by persons under age 65 - 9.5 percent as opposed to 12.8 percent. Figure 40 tracks the poverty rate for aged and non-aged families between 1980 and 1986.

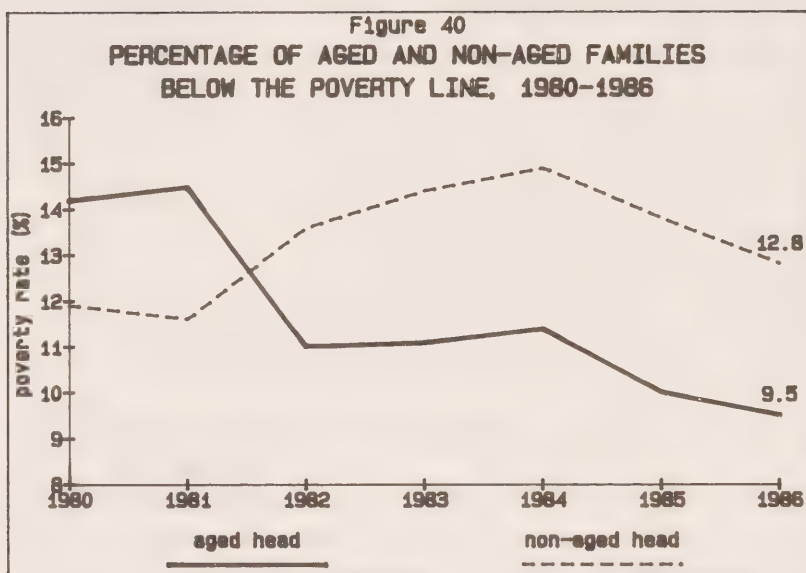


TABLE N
TRENDS IN FAMILY POVERTY, BY AGE OF HEAD, 1980-1986

	Under 25		25 - 34		35 - 44		45 - 54		55 - 64*		65 and Over*	
	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number
1980	21.1%	62,600	12.2%	192,200	11.6%	157,900	10.1%	120,700	11.4%	99,800	14.2%	111,800
1981	22.7	81,400	12.6	203,500	10.7	155,100	9.0	108,300	10.5	102,100	14.5	116,700
1982	28.4	94,700	15.5	247,700	12.3	192,900	10.2	126,000	11.6	117,300	11.0	91,200
1983	34.7	107,200	16.5	260,600	12.7	198,700	10.8	134,000	12.3	129,400	11.1	94,200
1984	30.1	96,200	17.7	290,700	13.1	212,900	11.3	134,100	12.8	131,200	11.4	106,900
1985	32.0	99,900	15.9	256,100	13.0	220,600	9.2	112,600	11.8	122,600	10.0	96,200
1986	30.2	87,700	16.0	254,400	11.0	194,000	8.8	108,900	11.0	114,900	9.5	91,900

Percentage
Change

1980/1986	43.1%	40.0%	31.1%	32.4%	-5.2%	22.9%	-12.9%	-9.8%	-3.5%	15.1%	-33.1%	-17.8%
1985/1986	-5.6	-12.3	0.6	-0.6	-15.4	-12.1	-4.3	-3.3	-6.8	-6.3	-5.0	-4.5

*For 1986: 55 to 59, a poverty rate of 10.9% and number of 60,400;
60 to 64, 11.0% and 54,500;
65 to 69, 8.8% and 32,300;
70 and over, 9.9% and 59,600.

TABLE 0

TRENDS IN POVERTY, UNATTACHED INDIVIDUALS, BY AGE, 1980-1986

	Under 25		25 - 34		35 - 44		45 - 54		55 - 64*		65 and Over*	
	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number
1980	42.1%	224,900	19.2%	112,400	18.9%	39,600	29.7%	69,700	41.5%	124,900	61.5%	469,500
1981	38.4	189,500	18.2	103,900	22.4	51,900	30.3	64,500	40.9	125,100	58.6	427,100
1982	42.8	214,600	18.0	113,800	23.8	64,900	31.9	71,900	40.2	123,800	56.2	410,200
1983	49.3	211,700	25.0	149,500	23.6	64,400	36.0	80,700	40.8	138,600	57.5	446,200
1984	47.1	224,700	21.2	130,300	26.1	81,100	33.6	84,100	44.0	144,700	49.6	361,200
1985	48.0	227,000	22.0	147,300	21.9	63,600	32.0	71,600	43.9	144,300	46.8	356,200
1986	47.7	219,000	22.4	157,100	22.2	74,600	26.3	63,800	39.1	132,600	42.7	335,800

Percentage
Change

1980/1986	13.3%	-2.6%	16.7%	39.8%	17.5%	88.5%	-11.4%	-8.4%	-5.8%	6.1%	-30.6%	-28.5%
1985/1986	-0.6	-3.5	1.8	6.7	1.4	17.3	-17.8	-10.9	-10.9	-8.1	-8.8	-5.7

*For 1986: 55 to 59, a rate of 37.2% and number of 56,000;
60 to 64, 40.7% and 76,600;
65 to 69, 36.7% and 75,600;
70 and over, 44.9% and 260,200.

Unattached Canadians under age 44 face a greater risk of poverty today than in 1980. Table O indicates that poverty eased a bit in 1986 among those under age 25, but not for the unattached between 25 and 44. Fortunately the situation has improved significantly for the unattached aged 45 and older, who are less likely to have low incomes today than in 1980.

The elderly unattached still run a very high likelihood of being poor (42.7 percent in 1986), but their poverty rate was much worse (61.5 percent) in 1980. Those aged 65 to 69 face a lower risk of poverty than the over-70 unattached (36.7 percent as opposed to 44.9 percent, respectively). The marked reduction in poverty among the elderly unattached in 1984 (from 57.5 percent in 1983 to 49.6 percent in 1984) undoubtedly reflected improvements in the Guaranteed Income Supplement. The benefit was increased by \$25 a month in July of 1984 and by an additional \$25 a month in December for persons receiving the Guaranteed Income Supplement at the single rate. The continued decline in the poverty rate for elderly families in 1985 and 1986 likely stems in part from the fact that more and more Canadians, as they retire, are eligible for better pensions than their predecessors. That being said, much still remains to be done to improve the retirement income system to make further progress against poverty among the aged.

The two preceding tables gave information on poor families headed by persons 65 and older and the aged whom Statistics Canada defines as 'unattached'. Table P looks at **all** low-income seniors, including those who live in families but are not classed as heads (e.g., spouses, relatives). The data are for 1986.

One elderly Canadian in five lived below the poverty line in 1986. The risk of poverty was significantly higher for aged women (23.5 percent were poor) than men (12.5 percent). The large majority of the aged poor (71.7 percent) are women.

Most low-income elderly Canadians (335,700 of the 480,000 total) are unattached, which means that they live alone or with non-relatives. Again, most of the unattached aged poor (82.3 percent) are women, mostly widows. Almost half (46.1 percent) of unattached elderly women are poor compared to 31.9 percent of unattached men aged 65 or over.

Men make up the majority of poor elderly Canadians living in families. An estimated 76,000 aged men in families were below the poverty line in 1986 compared to 67,900 elderly women.

It is clear that unattached elderly Canadians, men and women alike, face a much higher risk of poverty than those who live in families. Four in ten of the unattached aged were poor in 1986 compared to only one in ten of the elderly who live in families.

TABLE P
THE ELDERLY POOR, BY FAMILY STATUS AND SEX, 1986

	<u>Number</u>	<u>Poverty Rate</u>	<u>Percentage Distribution</u>
<u>In Families</u>			
Women	67,900	7.9%	47.2%
Men	76,000	8.5	52.8
Total	143,900	8.2	100.0
<u>Unattached Individuals</u>			
Women	276,300	46.1	82.3
Men	59,400	31.9	17.7
Total	335,700	42.7	100.0
<u>All Elderly</u>			
Women	344,200	23.5	71.7
Men	135,800	12.5	28.3
Total	480,000	18.8	100.0

g. Men Versus Women, Over and Under 65 (Tables Q and R, Figures 41 & 42)

Table Q shows trends in poverty rates for families headed by men and women over and under age 65.

TABLE Q
TRENDS IN FAMILY POVERTY,
BY SEX AND AGE OF HEAD, 1980-1986

	<u>Poverty Rate</u>			
	<u>Under 65</u>		<u>Over 65</u>	
	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>
1980	46.6%	8.1%	21.2%	13.3%
1981	40.5	8.3	24.7	12.9
1982	44.7	9.7	23.2	9.4
1983	47.1	10.4	17.0	10.4
1984	46.1	10.9	21.4	10.1
1985	46.7	9.6	16.5	9.1
1986	42.0	9.1	16.5	8.7
 <u>Percentage Change</u>				
1980/1986	-9.9%	12.3%	-22.2%	-34.6%
1985/1986	-10.1	-5.2	0.0	-4.4

The risk of poverty for families headed by women under age 65 is less today (an estimated 42.0 percent in 1986) than in 1980 (46.6 percent), though the rate has moved up and down in the intervening years. While families led by non-aged men are much less likely to live on

a low income, nonetheless their poverty rate rose each year from 1980 to 1984 and, despite a decline in 1985 and 1986, is still one percentage point higher now than at the beginning of the decade.

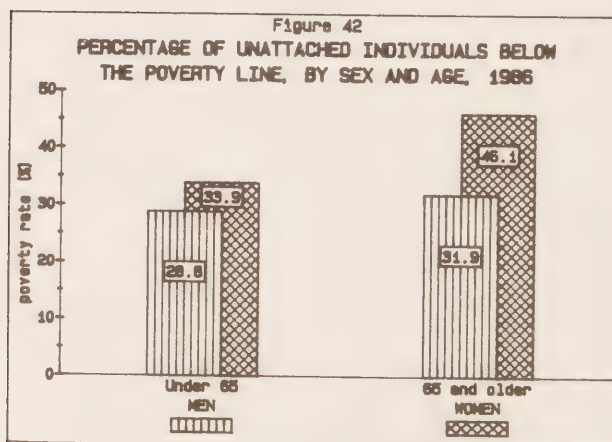
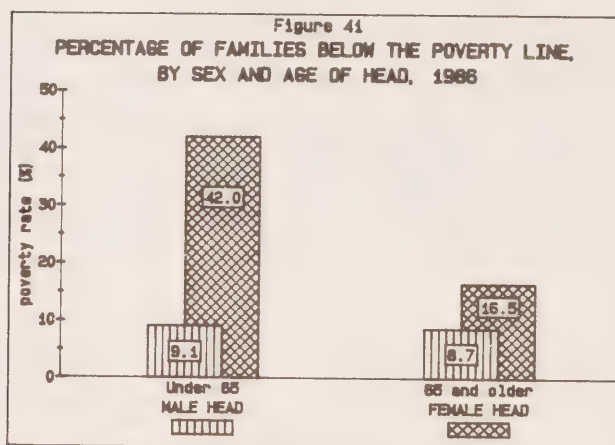
The poverty rate for families led by elderly women changed little between 1980 and 1984, except for a sharp drop (perhaps due to sample size variation) to 17.0 percent in 1983, but fell to 16.5 percent for 1985 and 1986. The risk of poverty for families headed by aged men decreased substantially from 1980 to 1982, rose to 10.4 percent in 1983 and has since declined to 8.7 percent in 1986.

Table R looks at aged and non-aged unattached women and men. The poverty rate for unattached men under age 65 went from 24.6 percent in 1980 to 32.1 percent in 1983 and has since fallen to 28.8 percent in 1986. Unattached women under 65 saw a smaller increase in poverty as a result of the recession; at last count one-third were below the poverty line.

TABLE R
TRENDS IN POVERTY, UNATTACHED INDIVIDUALS,
BY SEX AND AGE, 1980-1986

	<u>Poverty Rate</u>			
	<u>Under 65</u>		<u>Over 65</u>	
	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>
1980	36.7%	24.6%	65.4%	51.9%
1981	34.6	24.5	62.2	48.4
1982	31.7	29.2	60.1	43.6
1983	37.4	32.1	60.6	48.0
1984	37.4	30.1	51.7	43.1
1985	36.3	30.0	51.0	33.7
1986	33.9	28.8	46.1	31.9
 <u>Percentage Change</u>				
1980/1986	-7.6%	17.1%	-29.5%	-38.5%
1985/1986	-6.6	-4.0	-9.6	-5.3

Unattached women over 65 are still more poverty-prone than men, but they have seen a very significant decline in their risk of poverty in recent years - from 65.4 percent in 1980 to 46.1 percent in 1986. The poverty rate for aged unattached men fell from 51.9 percent in 1980 to 31.9 percent in 1986. **While low-income rates for both sexes are still very high - three in ten unattached elderly men and almost half of unattached aged women lived on low incomes in 1986 - there has been substantial progress against poverty among Canadians 65 and over.**



h. Size of Community (Tables S and T, Figures 43 and 44)

The 1986 figures do not indicate any substantial variation in the risk of poverty for families living in communities of different sizes. The poverty rates range from 12.1 percent in small cities (30,000 to 99,999 inhabitants) to 12.8 percent for towns with less than 30,000 residents. The majority of low-income families - like all families regardless of income - live in urban areas of 100,000 or more; Table S presents the numbers.

Table T looks at unattached individuals. Reflecting the overall trend, poverty rates for most community sizes declined after 1984, the exception being the 30,000 to 99,999 category where the rate went up in 1985 but dropped sharply in 1986. Unattached individuals living in rural areas face the lowest risk of falling below the low-income line, while those in metropolitan centers (500,000 and over) have the highest poverty rate.

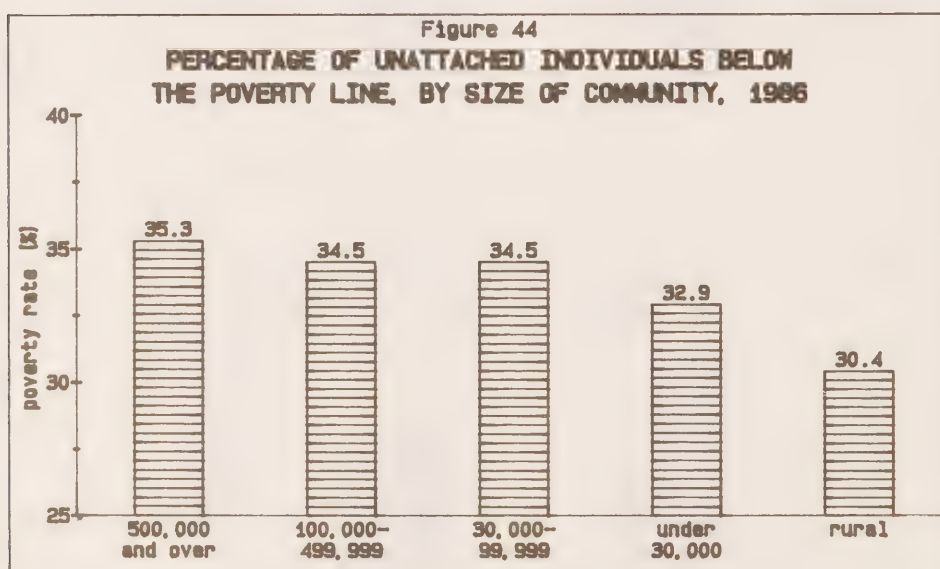
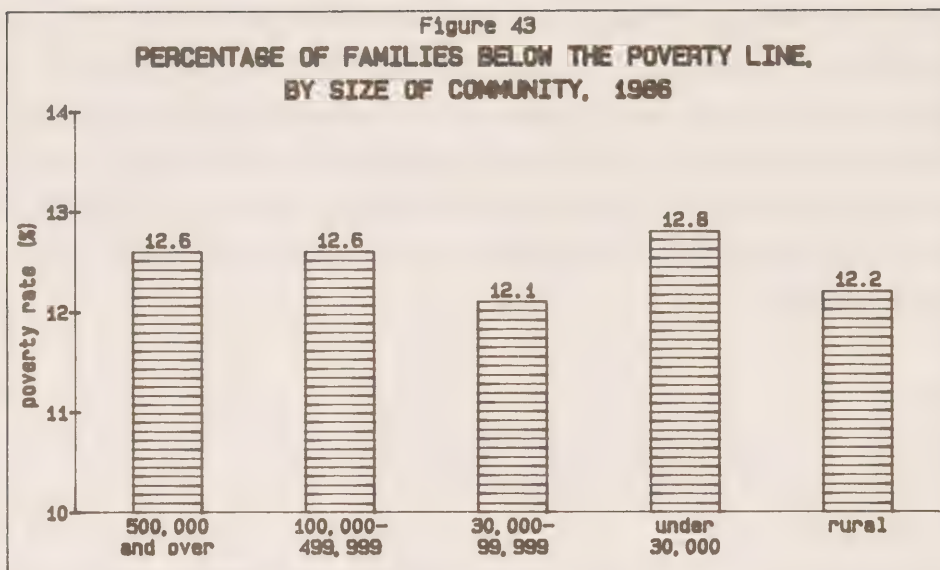


TABLE S
TRENDS IN FAMILY POVERTY, BY COMMUNITY SIZE, 1980-1986

	500,000 & Over		100,000 - 499,999		30,000 - 99,999		Under 30,000		Rural	
	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number
1980	11.6%	284,600	11.1%	106,500	15.5%	76,000	11.3%	111,800	13.9%	166,100
1981	11.2	302,600	12.1	112,900	12.5	66,800	12.1	121,300	13.1	165,100
1982	12.8	352,800	12.9	125,100	13.6	73,900	13.3	138,200	14.3	179,900
1983	14.6	414,900	13.6	130,300	14.0	84,100	13.8	137,700	13.2	157,100
1984	14.5	427,700	15.2	133,200	13.8	97,200	13.9	127,200	14.6	186,600
1985	13.5	405,900	13.2	115,300	13.6	97,200	12.8	122,600	12.9	167,100
1986	12.6	371,000	12.6	111,500	12.1	87,700	12.8	121,700	12.2	160,000

Percentage
Change

1980/1986	8.6%	30.4%	13.5%	4.7%	-21.9%	15.3%	13.3%	8.8%	-12.2%	-3.7%
1985/1986	-6.7	-8.6	-4.5	-3.3	-11.0	-9.8	0.0	-0.7	-5.4	-4.3

TABLE T
TRENDS IN POVERTY, UNATTACHED INDIVIDUALS, BY COMMUNITY SIZE, 1980-1986

	500,000 & Over		100,000 - 499,999		30,000 - 99,999		Under 30,000		Rural	
	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number
1980	37.6%	466,400	38.4%	173,800	46.2%	117,600	45.7%	186,400	35.3%	96,800
1981	38.9	522,400	35.5	142,400	38.8	80,800	38.4	136,600	33.8	79,800
1982	38.2	523,000	34.5	147,700	40.5	95,800	39.2	144,700	32.9	86,800
1983	41.0	558,600	39.1	171,300	45.2	90,600	43.0	168,000	41.5	102,600
1984	37.7	541,700	40.0	145,700	40.1	98,500	37.7	144,700	33.7	94,400
1985	37.2	533,800	38.1	154,400	42.6	123,100	34.4	121,100	29.4	76,700
1986	35.3	538,100	34.5	140,400	34.5	95,300	32.9	124,700	30.4	82,500
Percentage Change										
1980/1986	-6.1%	15.4%	-10.2%	-19.2%	-25.3%	-19.0%	-28.0%	-33.1%	-13.9%	-14.8%
1985/1986	-5.1	0.8	-9.4	-9.1	-19.0	-22.6	-4.4	3.0	3.4	7.6

ADDITIONAL POVERTY STATISTICS

a. Education (Tables U and V, Figures 45 and 46)

The statistics always show a clear link between education and poverty and the 1986 figures are no exception. **The lower the education of a family head or unattached individual, the greater the chance of falling below the low-income line.** A family led by someone who did not get to high school is four times more likely to be poor as one headed by a university graduate.

In the early 'eighties the risk of poverty increased for all families, including those headed by persons who graduated from universities, community colleges and other postsecondary institutions. Families led by Canadians with only a high school education registered the largest increase in their poverty rate from 1980 to 1983 (from 12.2 percent to 15.7 percent, which represents a 28.7 percent increase). By 1986 the risk of poverty had declined for all educational groups, though the poverty rates for families headed by persons with high school and postsecondary schooling have not yet returned to their pre-recession levels.

Unattached individuals show a similar trend. With the exception of postsecondary graduates, who still face a higher poverty rate than in 1980, unattached Canadians are less likely to be poor today than they were in 1980. Those at the opposite ends of the educational spectrum - elementary and university - have enjoyed the largest decline in their poverty rates from 1980 to 1986.

TABLE U
FAMILY POVERTY TRENDS,
BY EDUCATION OF HEAD, 1980-1986

	<u>Poverty Rate</u>				
	Primary	Some High School	Some Postsecondary	Postsecondary Graduate	University Graduate
1980	18.8%	12.2%	7.5%	6.6%	4.5%
1981	18.9	11.6	8.4	7.0	4.7
1982	18.6	14.1	10.7	7.6	5.3
1983	19.9	15.7	9.1	7.9	5.2
1984	19.6	16.2	12.9	8.0	4.9
1985	18.8	14.4	11.8	8.5	4.6
1986	16.7	14.4	11.2	7.2	4.2
 <u>Percentage Change</u>					
1980/1986	-11.2%	18.0%	49.3%	9.1%	-6.7%
1985/1986	-11.2	0.0	-5.1	-15.3	-8.7

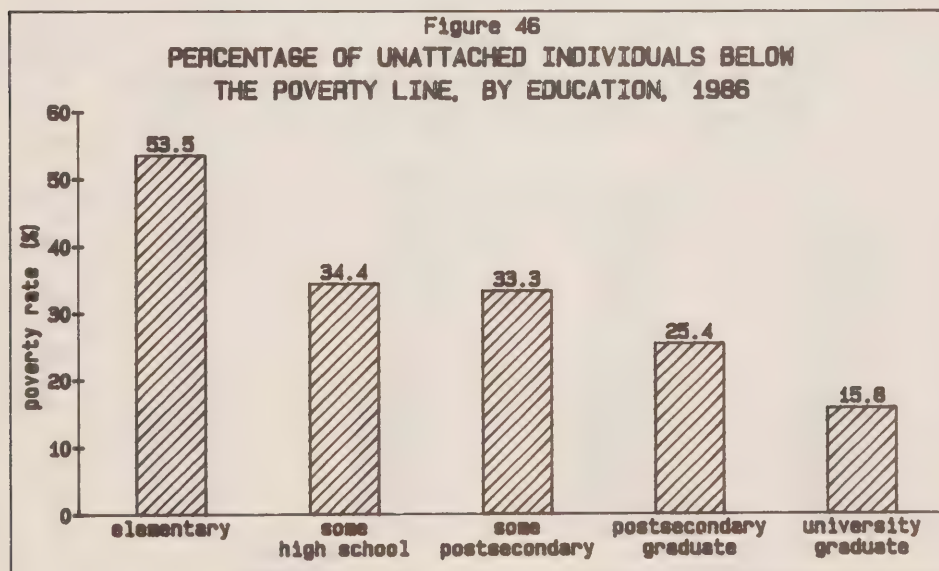
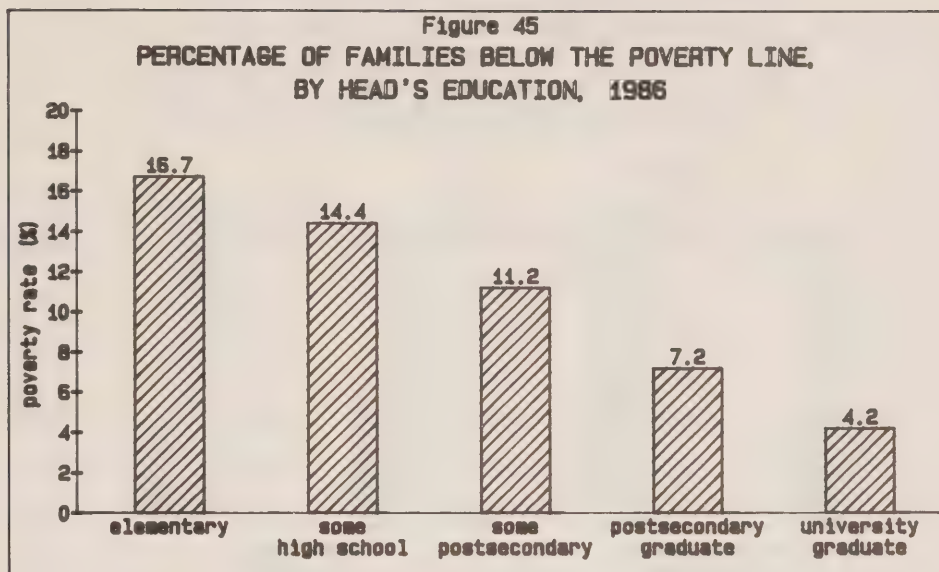


TABLE V

**POVERTY TRENDS, UNATTACHED INDIVIDUALS,
BY EDUCATION, 1980-1986**

	<u>Poverty Rate</u>				
	<u>Primary</u>	<u>Some High School</u>	<u>Some Postsecondary</u>	<u>Postsecondary Graduate</u>	<u>University Graduate</u>
1980	64.3%	35.1%	35.3%	23.7%	21.1%
1981	62.9	33.3	34.2	22.8	17.3
1982	62.4	34.5	33.2	23.6	18.5
1983	67.0	37.7	40.0	24.9	19.3
1984	58.0	36.4	38.6	26.5	18.4
1985	57.1	36.3	36.4	24.3	17.6
1986	53.5	34.4	33.3	25.4	15.8
 <u>Percentage Change</u>					
1980/1986	-16.8%	-2.0%	-5.7%	7.2%	-25.1%
1985/1986	-6.3	-5.2	-8.5	4.5	-10.2

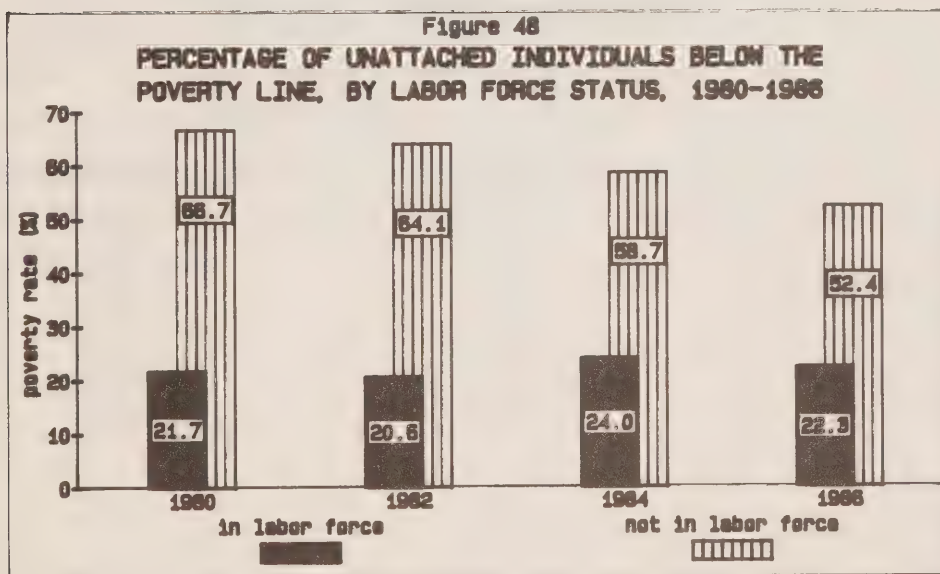
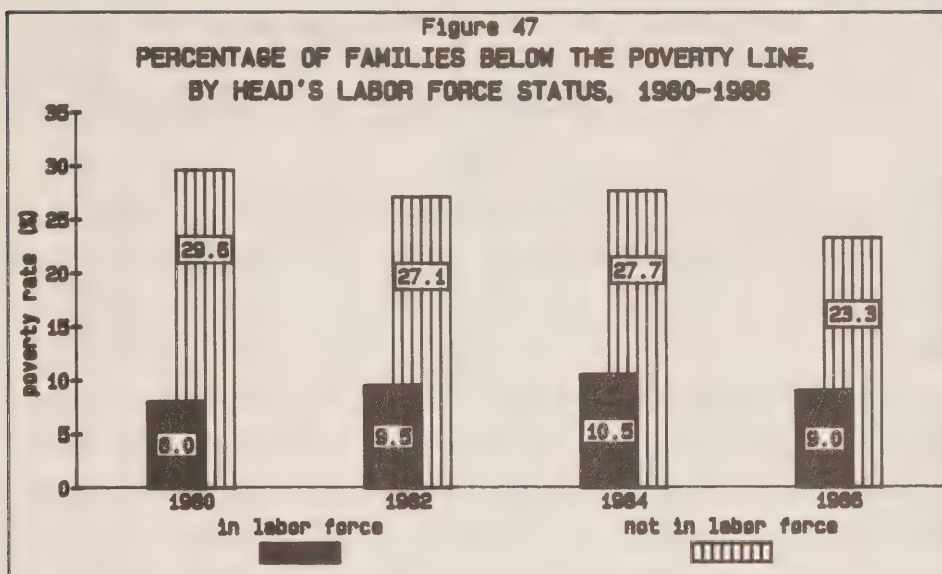


TABLE W

**TRENDS IN FAMILY POVERTY,
BY LABOR FORCE STATUS OF HEAD, 1980-1986**

	<u>Poverty Rate</u>	
	<u>In Labor Force</u>	<u>Not In Labor Force</u>
1980	8.0%	29.6%
1981	7.9	27.3
1982	9.5	27.1
1983	10.3	27.8
1984	10.5	27.7
1985	9.6	25.5
1986	9.0	23.3
 <u>Percentage Change</u>		
1980/1986	12.5%	-21.3%
1985/1986	-6.2	-8.6

TABLE X

**POVERTY TRENDS, UNATTACHED INDIVIDUALS
BY LABOR FORCE STATUS, 1980-1986**

	<u>Poverty Rate</u>	
	<u>In Labor Force</u>	<u>Not In Labor Force</u>
1980	21.7%	66.7%
1981	20.4	64.1
1982	20.6	64.1
1983	25.2	64.4
1984	24.0	58.7
1985	23.4	56.0
1986	22.3	52.4
 <u>Percentage Change</u>		
1980/1986	2.8%	-21.4%
1985/1986	-4.7	-6.4

b. The Link to the Labor Force (Tables W to AF)

Not surprisingly, families whose heads are not in the labor force (i.e., are neither employed nor actively looking for work) are more poverty prone. Twenty-three percent were poor in 1986, as opposed to only nine percent of families with heads in the labor force.

Over half of unattached individuals who are not in the labor force were poor in 1986, which is a marked improvement over the two-thirds figure in 1980.

Contrary to what many people believe, **most poor families are headed by persons who work or are actively searching for a job.** In 1986 55.7 percent of low-income families were headed by men or women in the labor force, and 26.7 percent were led by someone who worked 49 weeks or longer. In contrast, most poor unattached individuals (61.1 percent in 1986) are not in the labor force.

The more weeks worked by a head who is employed, the less the chance a family will be poor. The poverty rate was a very high 42.2 percent for families whose heads worked only one to nine weeks in 1986, and the risk dropped progressively until it reached only 5.2 percent for families headed by persons working between 49 and 52 weeks. Table Y gives the figures for families and Table Z indicates the same pattern for unattached Canadians.

TABLE Y

FAMILY POVERTY, BY WEEKS WORKED BY HEAD, 1986

<u>Weeks Worked</u>	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
0	26.8%	381,200
1 - 9	42.2	42,600
10 - 19	33.6	69,800
20 - 29	20.6	57,900
30 - 39	17.6	40,800
40 - 48	11.6	31,500
49 - 52	5.2	227,200

TABLE Z

POVERTY AMONG UNATTACHED INDIVIDUALS, BY WEEKS WORKED, 1986

<u>Weeks Worked</u>	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
0	53.3%	553,800
1 - 9	78.6	47,100
10 - 19	70.5	92,300
20 - 29	48.0	68,700
30 - 39	38.7	42,200
40 - 48	25.8	33,400
49 - 52	11.6	144,400

Table AA shows that **families whose heads work part-time run a five times greater risk of poverty as families led by full-time workers** (21.7 percent versus 4.8 percent). As expected, the poverty rate among families whose heads did not work in 1986 was even higher. The same pattern applies for unattached individuals, as Table AB demonstrates.

TABLE AA
FAMILY POVERTY, BY FULL/PART-TIME
WORKER STATUS OF HEAD, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
Full-time	4.8%	204,200
Part-time	21.7	265,500
Did not work	26.8	381,200

TABLE AB
POVERTY AMONG UNATTACHED INDIVIDUALS,
BY FULL/PART-TIME WORKER STATUS, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
Full-time	8.7%	99,200
Part-time	48.2	329,000
Did not work	53.3	553,800

Unemployment also worsens the odds. **Families whose heads were out of work at some point in 1986 were twice as likely to be poor as those in which no member was unemployed.** Table AC gives the results.

TABLE AC
FAMILY POVERTY, BY UNEMPLOYMENT
EXPERIENCE, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
No one unemployed	10.5%	509,700
Head unemployed	25.6	260,400
Other members unemployed	7.9	80,800

The risk of poverty is dramatically reduced for families with more than one earner. The 1986 poverty rates were 19.2 percent for families with one earner, 5.3 percent for those with two earners and only 2.9 percent for those with three or more earners. Table AD presents the statistics.

TABLE AD
FAMILY POVERTY, BY NUMBER OF EARNERS, 1986

<u>Earners</u>	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
None	33.8%	319,000
1	19.2	337,000
2	5.3	164,200
3 or more	2.9	30,600

Families headed by persons in managerial and professional occupations are unlikely to live below the poverty line. Occupations with an above-average risk of poverty include farming, fishing and services. The poverty rate for families headed by workers in service industries - a heavy employer of women - increased from 16.2 percent in 1980 to 19.6 percent in 1986.

TABLE AE
FAMILY POVERTY, BY OCCUPATION OF HEAD, 1986

<u>Occupation</u>	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
Managerial	3.4%	28,100
Professional	4.6	34,900
Clerical	10.2	34,900
Sales	8.6	37,400
Service	19.6	97,000
Farming, fishing	18.2	57,900
Processing and machining	6.0	28,100
Product fabrication	8.1	44,300
Construction	9.6	49,400
Transport	9.0	51,100
Not in labor force	23.8	388,100

Unattached individuals who work in services, sales, product fabrication, construction and transport run a substantial chance of being poor. As with families, the poverty rate for unattached men and women who work in services has increased in recent years (from 38.1 percent in 1980 to 46.3 percent in 1986). Table AF gives the figures.

TABLE AF

POVERTY AMONG UNATTACHED INDIVIDUALS, BY OCCUPATION, 1986

<u>Occupation</u>	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
Managerial	8.6%	18,700
Professional	13.3	50,100
Clerical	19.8	57,000
Sales	26.7	36,300
Service	46.3	112,900
Farming, fishing	34.8	15,700
Processing and machining	20.0	14,700
Product fabrication	17.9	21,600
Construction	28.1	23,600
Transport	20.1	22,600
Not in labor force	52.7	607,900

c. Major Source of Income (Tables AG and AH)

Four in ten families whose major source of income is government transfer payments (e.g., social assistance, the old age pension, unemployment insurance) were poor in 1986. Two families in ten whose chief source of income is self-employment were below the poverty line.

The risk of poverty is very high for unattached Canadians who rely on government transfers for most of their income: six in ten have low incomes. Many are pensioners whose income from Old Age Security and the Guaranteed Income Supplement - even if supplemented by provincial benefits for the elderly - does not bring them up to the poverty line.

TABLE AG

FAMILY POVERTY, BY MAJOR SOURCE OF INCOME, 1980-1986

	<u>Poverty Rate</u>			
	<u>Wages and Salaries</u>	<u>Self-Employment</u>	<u>Government Transfers</u>	<u>Other</u>
1980	5.5%	17.3%	51.6%	13.6%
1981	5.4	18.1	48.8	13.5
1982	5.5	20.1	48.9	14.3
1983	6.3	22.5	47.2	10.6
1984	6.4	20.6	46.3	14.9
1985	6.0	17.4	43.7	12.5
1986	5.1	17.4	41.7	11.7
<u>Percentage Change</u>				
1980/1986	-7.3%	0.6%	-19.2%	-14.0%

Both families and unattached individuals whose chief source of income is government income security programs have seen a steady decline in their poverty rates during the 'eighties.

TABLE AH

**POVERTY AMONG UNATTACHED INDIVIDUALS,
BY MAJOR SOURCE OF INCOME, 1980-1986**

	<u>Poverty Rate</u>			
	<u>Wages and Salaries</u>	<u>Self-Employment</u>	<u>Government Transfers</u>	<u>Other</u>
1980	17.7%	-	84.3%	24.8%
1981	18.1	26.5%	82.0	22.2
1982	17.0	38.1	77.9	22.2
1983	19.4	-	77.6	23.8
1984	18.2	36.7	70.8	26.1
1985	20.4	27.2	69.5	16.8
1986	19.6	28.6	62.5	18.9
<u>Percentage Change</u>				
1980/1986	10.7	-	-25.9%	-23.8%

d. Immigrants and Native-Born (Tables AI and AJ)

The poverty rate for families with Canadian-born heads (12.5 percent) was higher than the rate for families with foreign-born heads (11.6 percent) in 1986. The risk of poverty varies according to when the family head came to Canada: 7.4 percent for those who immigrated before 1946, 6.8 percent for families whose heads immigrated between 1946 and 1960 and 15.7 percent for those who came to this country after 1960.

TABLE AI

FAMILY POVERTY, BY YEAR OF IMMIGRATION OF HEAD, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
Canadian born	12.5%	689,300
Immigrated	11.6%	161,700
before 1946	7.4	11,900
1946 to 1960	6.8	32,300
after 1960	15.7	117,400

Table AJ looks at unattached Canadians. Those who immigrated to this country face a higher risk of poverty than unattached native-born persons.

TABLE AJ

POVERTY AMONG UNATTACHED INDIVIDUALS, BY YEAR OF IMMIGRATION, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
Canadian born	33.5%	809,200
Immigrated	38.7	172,800
before 1946	43.0	50,100
1946 - 1960	30.0	39,300
after 1960	41.9	83,500

e. Homeowners and Renters (Tables AK and AL)

The poverty rate for families that own their homes was only 7.3 percent in 1986 - 6.2 percent for those with a mortgage and 8.4 percent for those without a mortgage. By contrast, 25.6 percent of renters had low incomes.

TABLE AK

FAMILY POVERTY, BY TENURE, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Families</u>
Owners	7.3%	361,700
with mortgagee	6.2	162,500
no mortgage	8.4	199,100
Renters	25.6	489,300

Unattached individuals who rent are more likely to be poor than those who own their homes. The incidence of poverty is substantially higher for unattached homeowners who have paid off their mortgage than for those with a mortgage because many of the former are elderly persons who have lower incomes than those under 65.

TABLE AL

POVERTY AMONG UNATTACHED INDIVIDUALS, BY TENURE, 1986

	<u>Poverty Rate</u>	<u>Number of Poor Unattached Individuals</u>
Owners	24.4%	187,600
with mortgage	14.3	36,300
no mortgage	29.3	151,200
Renters	38.0	794,400

THE CHANGING FACE OF POVERTY

The 1971 report of the special Senate Committee on Poverty chaired by Senator David Croll, Poverty in Canada, displayed a picture of an elderly man on its cover. Were that study to be done today, undoubtedly its cover photo would show an elderly woman or a young single-parent mother and her children.

The 'feminization of poverty' is not the only significant long-term change in the composition of poverty. So too is the increasing share of young people in the low-income population and the significant decline in the proportion of the elderly among Canada's poor. A growing proportion of poor Canadians rely upon government income security programs (such as old age pensions, unemployment insurance, the Canada and Quebec Pension Plans and welfare) as their chief source of income.

There are two methods to gauge poverty - poverty rates and poverty distributions. Poverty rates measure the percentage of persons in different categories who have incomes below the poverty line: the rates indicate their susceptibility to or risk of poverty. Poverty shares or distributions, on the other hand, measure the composition of poverty: they indicate what percentage of the low-income population is made up by women and men, by persons in different age groups, by persons within and outside the labor force, and so on. The previous chapters dealt mainly with poverty rates; this chapter uses poverty distributions to examine the changing face of poverty in Canada.

a. The Feminization of Poverty (Tables AM to AP, Figures 49 and 50).

Table AM shows that **women both make up a larger percentage of the poor and run a higher risk of poverty than men** in most categories. More than half (56.1 percent) of all low-income Canadians are female, and 56.4 percent of low-income persons between the ages of 16 and 64 are women. Seven in ten of all the elderly poor (71.7 percent) are women. Women constitute 82.3 percent of the unattached aged with low incomes.

Males make up a larger percentage of the poor in the following categories: children, aged persons in families, and both aged and non-aged family heads. However men constitute an even larger proportion (88.7 percent) of the total (poor and non-poor) number of family heads, which means that they are underrepresented among the poor in this category. The proportion of low-income children who are boys (52.0 percent) is virtually the same as the proportion of all children who are boys (51.7 percent). The only category where men make up a larger percentage of the poor than of all is elderly persons living in families; 52.8 percent of the aged poor in families are men compared to 51.1 percent of all the aged in families.

Table AM also shows that women face a higher risk of poverty than men in almost every category. The last column gives the ratio of the female to the male poverty rate. For example, families headed by women are more than four times (4.30) more likely to be poor than are male-led families. In all but two categories the figure exceeds 1.00, indicating that women have a higher poverty rate than men. The poverty rate for boys is slightly higher than the rate for girls (17.7 percent versus 17.5 percent). Elderly men living in families have a higher poverty rate than women (8.5 percent and 7.9 percent, respectively).

TABLE AM
POVERTY DISTRIBUTIONS AND RATES,
BY SEX AND CATEGORY, 1986

Category	<u>Percentage of Poor Who Are:</u>		<u>Poverty Rate</u>		
	Female	Male	Female	Male	Ratio of Female to Male
All Persons	56.1%	43.9%	16.5%	13.3%	1.24
Children	48.0	52.0	17.5	17.7	0.99
Adults	56.4	43.6	14.8	11.7	1.26
Aged	71.7	28.3	23.5	12.5	1.88
Persons in Families	54.1	45.9	13.3	11.3	1.18
Children	48.0	52.0	17.5	17.7	0.99
Adults	58.7	41.3	12.3	9.1	1.35
Aged	47.2	52.8	7.9	8.5	0.93
All Heads	35.1	64.9	38.7	9.0	4.30
Aged Heads	18.5	81.5	16.5	8.7	1.90
Non-aged Heads	37.1	62.9	42.0	9.1	4.62
Unattached					
Individuals	61.6	38.4	38.5	29.2	1.32
Aged	82.3	17.7	46.1	31.9	1.45
Non-aged	50.8	49.2	33.9	28.8	1.18

Note: The ratio divides the poverty rate for females by that for men for each category. The higher the figure, the larger the poverty gap between women and men.

Children are under 16, adults 16 to 64 and the aged 65 and older.

Table AN shows that **women make up a larger proportion of the low-income population than the population as a whole.** In 1986 56.1 percent of low-income Canadians were female compared to 50.8 percent of the total population. The 'proportionality index' simply divides women's share of low incomes with their share of all incomes for each category; figures over 1.00 indicate that women are overrepresented among the poor, which means that they make up a larger share of the poor than the total.

TABLE AN
WOMEN AS A PERCENTAGE OF LOW-INCOME
AND ALL, BY CATEGORY, 1986

Category	Low-Income	All	Proportionality Index
All Persons	56.1%	50.8%	1.10
Children	48.0	48.3	0.99
Adults	56.4	50.6	1.11
Aged	71.7	57.3	1.25
Persons in Families	54.1	50.2	1.08
Children	48.0	48.3	0.99
Adults	58.7	51.2	1.15
Aged	47.2	48.9	0.97
All Heads	35.1	11.2	3.13
Aged Heads	18.5	10.7	1.73
Non-aged Heads	37.1	11.3	3.28
Unattached Individuals	61.6	54.9	1.12
Aged	82.3	76.3	1.08
Non-aged	50.8	46.8	1.09

Note: Proportionality index: figures over 1.00 indicate that females are overrepresented among the poor; figures under 1.00 mean that they are underrepresented among the poor.

Children are under 16, adults 16 to 64 and the aged 65 and older.

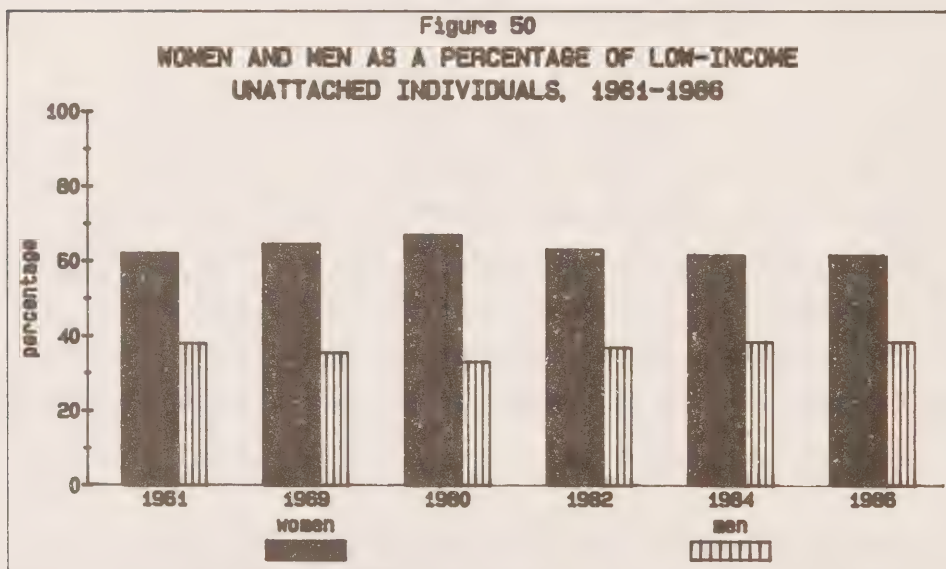
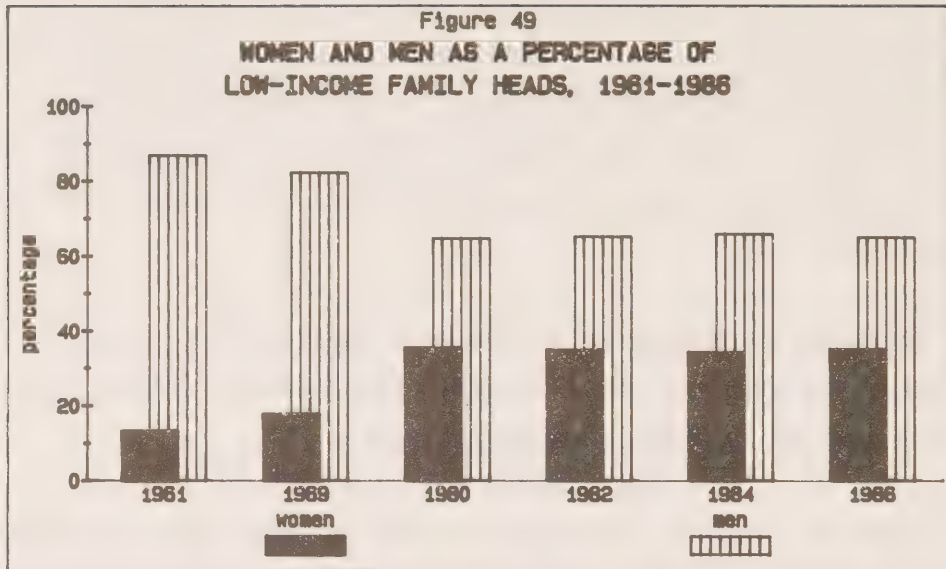
The proportionality index for all women is 1.10, so we know that women as a group are overrepresented among Canada's poor. The highest index - 3.28 - is for families led by persons under age 65; women represent 37.1 percent of poor families in this category but only 11.3 percent of all non-aged families. The only category in which women are underrepresented is elderly persons living in families; they comprise a smaller share of the poor (47.2 percent) than all the aged in families (48.9 percent).

The term 'feminization of poverty' implies that women are making up a rising proportion of the low-income population. This is a widespread impression, but it is only partially correct.

While it is true that a much larger percentage of low-income families are headed by women today than in the past, the majority of poor families are still headed by men. More women than men figure among the unattached poor, but women have not enlarged their share of unattached individuals below the poverty line. The proportion of poor Canadians who are women has not increased during the 'eighties.

The proportion of low-income families led by women has increased markedly over the past 25 years. Figure 49 plots the trend. In 1961 only 13.2 percent of poor families were headed by women. Their share climbed to 16.6 percent in 1969, 35.4 percent in 1980 and 36.5 percent in 1985, though it declined to 35.1 percent in 1986. The remarkable growth of single-parent families, largely as a result of marriage breakdown - most of which are poor and led by women - is the major factor behind this trend.

Women have always accounted for the majority of unattached individuals with low incomes. Their share was little changed in 1986 (61.6 percent) from 1961 (62.0 percent). Figure 50 shows the long-term trend.



Recent trends, however, do not indicate a growing feminization of poverty. Table A0 presents a detailed breakdown of women's proportion of poor and all (poor and non-poor together) Canadians from 1981 to 1986. The top half of the table gives the figures for all persons as well as for children under age 16, adults (16 to 64) and the elderly (65 and older), while the bottom half looks at families and unattached individuals.

In 1981 57.3 percent of all low-income Canadians were female; in 1986 their proportion was a bit lower (56.1 percent), though still larger than that of males. There is no clear pattern in the years between 1981 and 1986 and the figures do not vary by much. Women make up a larger share of low-income Canadians than of all Canadians (56.1 percent as opposed to 50.8 percent), which means that they are overrepresented among the poor.

Nor is there any evidence of feminization of child poverty in the 'eighties. Girls comprise slightly under half of poor and all children under 16, the figure ranging from 46.8 percent to 49.9 percent during the 1981 to 1986 period.

Women represented a somewhat smaller proportion of low-income Canadians aged 16 to 64 in 1986 (56.4 percent) than in 1981 (58.1 percent), though again the figures do not vary all that much between 1981 and 1986.

Women make up the large majority of Canadians over 65 and under the poverty line - seven in ten. The trend does not suggest an increasing feminization of poverty among the aged. Elderly women are significantly overrepresented among the poor: they represent 71.7 percent of the elderly poor as opposed to 57.3 percent of all elderly persons.

TABLE AO

**WOMEN AS A PERCENTAGE OF LOW-INCOME
AND ALL, BY CATEGORY, 1981-1986**

	<u>All Aged</u>		<u>Children Under 16</u>		<u>Adults 16-64</u>		<u>Aged</u>	
	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>
1981	57.3%	50.6%	48.5%	48.2%	58.1%	50.5%	69.1%	57.1%
1982	56.4	50.7	49.9	48.3	55.3	50.5	73.5	58.2
1983	55.6	50.8	46.8	48.4	56.0	50.7	70.7	57.2
1984	55.5	50.6	47.9	48.2	56.5	50.6	68.2	56.2
1985	56.7	51.0	48.7	48.7	57.3	50.9	71.6	56.8
1986	56.1	50.8	48.0	48.3	56.4	50.6	71.7	57.3

	<u>Family Heads</u>		<u>Unattached Individuals</u>		<u>Non-aged Unattached</u>		<u>Aged Unattached</u>	
	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>
1981	33.8%	10.6%	67.0%	56.2%	57.4%	48.9%	78.9%	74.4%
1982	34.9	11.1	63.1	55.7	50.0	47.9	81.8	76.6
1983	33.6	10.8	63.1	56.0	51.5	47.7	79.9	75.9
1984	34.2	11.6	61.6	54.6	47.7	53.1	78.6	75.3
1985	36.5	11.4	62.6	54.9	48.3	53.1	82.7	75.9
1986	35.1	11.2	61.6	54.9	49.2	53.2	82.3	76.3

One poor family in three is headed by a woman. The percentage was somewhat higher in 1986 than in 1981 (35.1 percent as opposed to 33.8 percent), but there has been no significant feminization of family poverty so far during the 'eighties.

Table A0 also shows trends in the proportion of low-income unattached individuals who are women. The figure was higher in 1981 (67.0 percent) than in 1986 (61.6 percent). The age breakdown is revealing. Women made up a significantly larger percentage of the non-aged unattached poor in 1981 than in 1986 (57.4 percent versus 49.2 percent). The opposite holds for the aged unattached, 78.9 percent of whom were women in 1981 and 82.3 percent in 1986. Again, there is no clear linear pattern from 1981 to 1986, since the figures have fluctuated from year to year.

Table AP presents the number of one-parent families headed by men and women and of two-parent families from 1981 to 1986, as well as their relative shares of the total. In 1981 single-parent families headed by women represented 40.0 percent of all families with children under 18 (199,000 out of a total 497,000) and slightly more (41.8 percent or 233,000 out of 558,000) in 1986. One-parent families led by men account for only 2.9 percent of the total, though this is up from just 1.8 percent in 1981. The proportion of two-parent families declined from 58.1 percent in 1981 to 55.4 percent in 1986. In each of the three family types, there is no linear pattern in their relative shares since 1986. The data do not show a significant feminization of poverty among families with children during the 'eighties to date.

TABLE AP
ONE AND TWO-PARENT FAMILIES WITH CHILDREN,
BELOW THE POVERTY LINE, 1981-1986

Low-Income Families With Children

	<u>Female Single Parents</u>		<u>Male Single Parents</u>		<u>Two Parents</u>	
	<u>Number</u>	<u>As % Of All</u>	<u>Number</u>	<u>As % Of All</u>	<u>Number</u>	<u>As % Of All</u>
1981	199,000	40.0%	9,000	1.8%	289,000	58.1%
1982	236,000	40.1	14,000	2.4	339,000	57.6
1983	232,000	38.5	13,000	2.2	358,000	59.4
1984	258,000	40.3	16,000	2.5	366,000	57.2
1985	261,000	42.9	15,000	2.5	332,000	54.6
1986	233,000	41.8	16,000	2.9	309,000	55.4

Note: Family heads are under age 65, children under age 18.

b. More Younger, Fewer Older Faces Among the Poor (Tables AQ and AR, Figures 51 and 52)

TABLE AQ

PERCENTAGE DISTRIBUTION OF POOR FAMILIES,
BY AGE OF HEAD, 1969-1986

	<u>Age of Family Head</u>					
	<u>Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65 and Older</u>
1969	5.0%	16.0%	19.9%	16.4%	13.1%	29.6%
1980	8.4	25.8	21.2	16.2	13.4	15.0
1981	10.6	26.5	20.2	14.1	13.3	15.2
1982	10.9	28.5	22.2	14.5	13.5	10.5
1983	11.6	28.2	21.5	14.5	14.0	10.2
1984	9.9	29.9	21.9	13.8	13.5	11.0
1985	11.0	28.2	24.3	12.4	13.5	10.6
1986	10.3	29.9	22.8	12.8	13.5	10.8

Table AQ shows a marked increase from 1969 to 1986 in the proportion of low-income families headed by younger Canadians. The percentage of poor families led by persons under 25 doubled from 5.0 percent in 1969 to 10.3 percent in 1986, whereas the youth portion of the total (poor and non-poor) population actually declined somewhat (from 5.5 percent in 1969 to 4.2 percent in 1986). There were significant increases in poverty shares for families with heads aged 25 to 34 and 35 to 44 as well.

The proportion of low-income families headed by persons between 45 and 54 declined from 16.4 percent in 1969 to 12.8 percent in 1986, which matched their decline in the total population. Those in the 55 to 64 age group stayed about the same. There was a dramatic decline in the percentage of low-income families headed by elderly Canadians - from 29.6 percent in 1969 to 15.0 percent in 1980 and 10.8 percent in 1986 - even though their share of all families actually increased from 13.1 percent in 1969 to 14.0 percent in 1986. Figure 51 illustrates the age distribution of family poverty from 1969 to 1986.

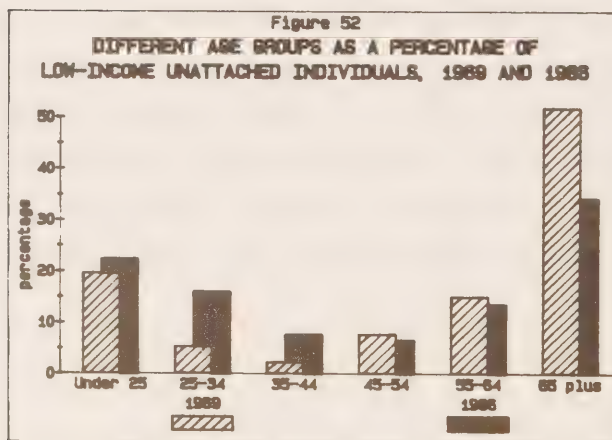
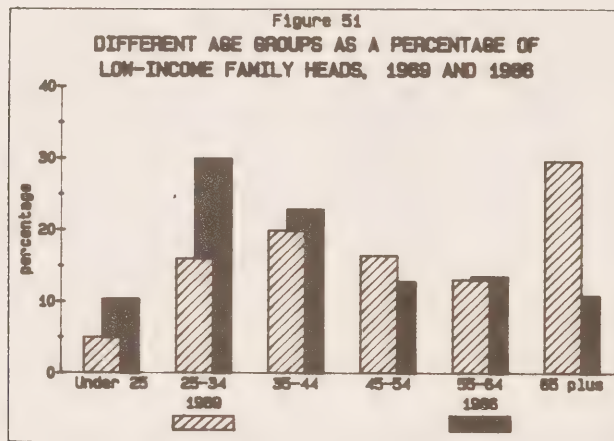


TABLE AR

PERCENTAGE DISTRIBUTION OF POOR UNATTACHED
INDIVIDUALS, BY AGE, 1969-1986

	<u>Age Group</u>					
	<u>Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	<u>65 and Older</u>
1969	19.6%	5.4%	2.3%	7.7%	15.0%	50.1%
1980	21.6	10.8	3.8	6.7	12.0	45.1
1981	19.7	10.8	5.4	6.7	13.0	44.4
1982	21.5	11.4	6.5	7.2	12.4	41.1
1983	19.4	13.7	5.9	7.4	12.7	40.9
1984	21.9	12.7	7.9	8.2	14.1	35.2
1985	22.5	14.6	6.3	7.1	14.3	35.3
1986	22.3	16.0	7.6	6.5	13.5	34.2

Table AR and Figure 52 show each age group's share of the low-income unattached population. As with families, the younger age groups represent a larger fraction of the unattached poor now than in the past. By contrast, those in the older age categories - 45 and older - comprised a smaller proportion of the low-income unattached in 1986 than in 1969. Although the aged are still the largest group of the unattached poor, their share has fallen considerably over the years: in 1969, one poor unattached individual in two was elderly; by 1986, one in three was 65 or over.

c. The Working Poor (Figures 53 to 56)

Figure 53 illustrates the proportion of low-income families led by persons in the labor force (i.e., either working or actively looking for work) and those not in the work force in 1969 and in 1986. The figures are virtually unchanged. In 1969 55.4 percent of poor families were headed by men or women in the labor force and 44.6 percent by those not in the labor force. The comparable figures in 1986 were 55.7 percent and 44.3 percent. **The majority of low-income families are working poor.**

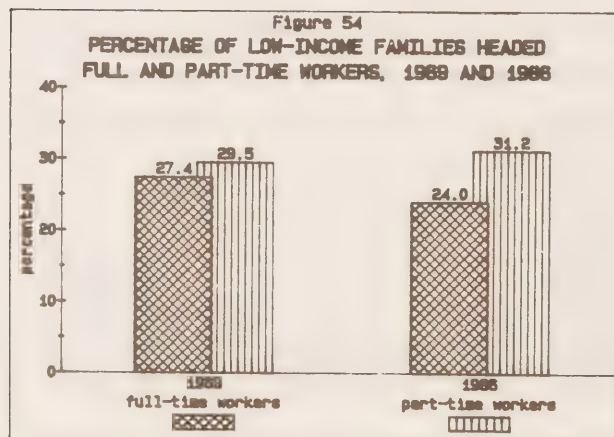
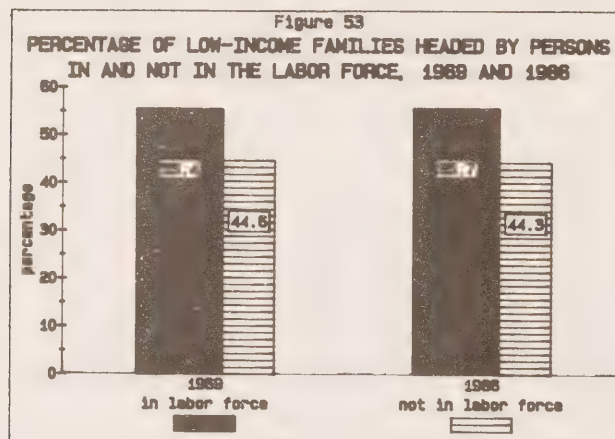


Figure 54 compares the percentage of low-income families headed by full and part-time workers in 1969 and 1986. A somewhat larger percentage had full-time working heads in 1969 (27.4 percent) than in 1986 (24.0 percent), while part-time workers made up a larger share in 1986 (31.2 percent) than in 1969 (29.5 percent).

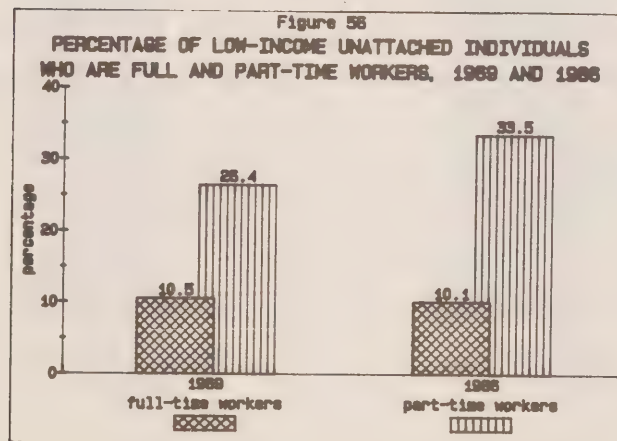
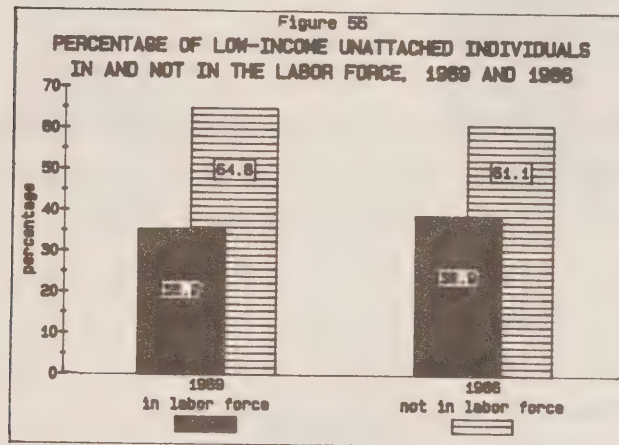
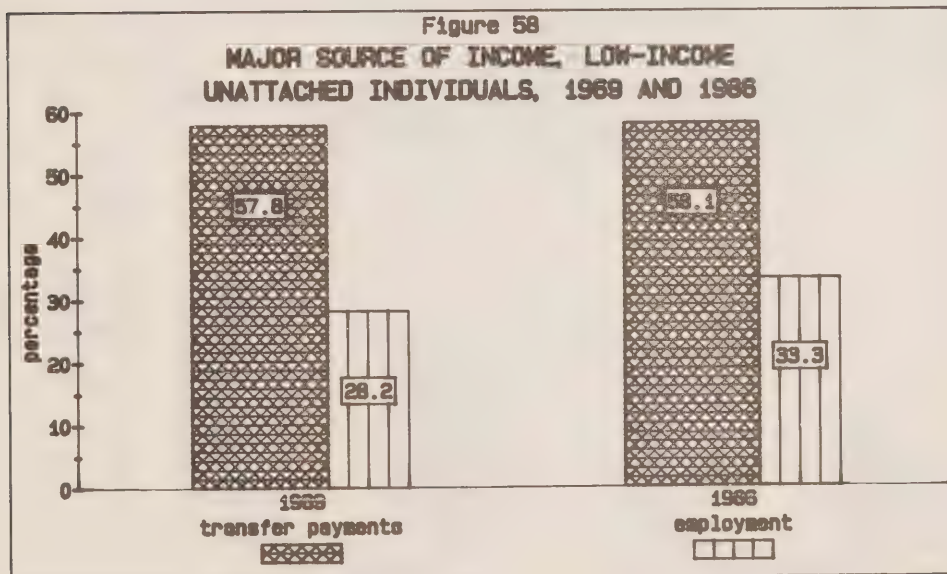
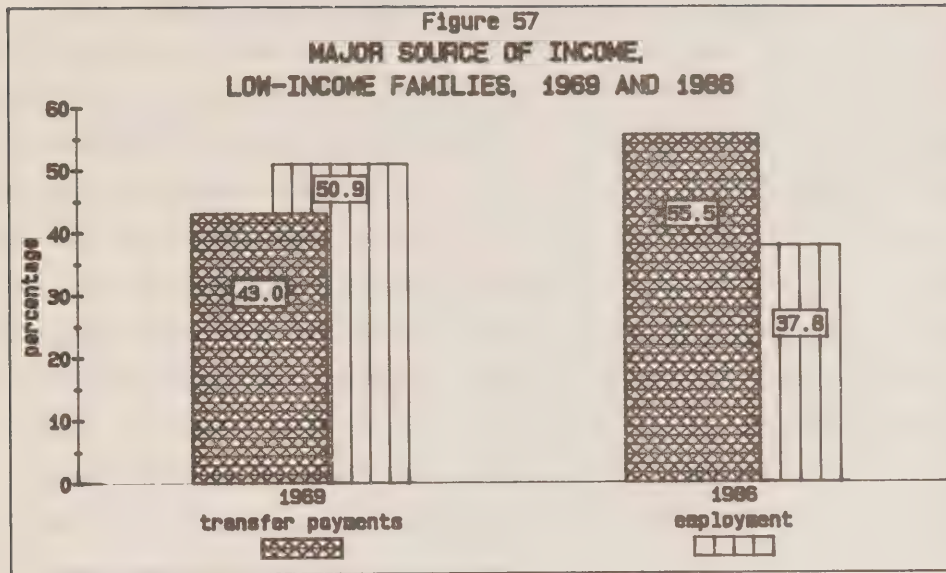


Figure 55 shows that only a minority of the unattached poor are in the labor force, though the percentage increased from 35.2 percent in 1969 to 38.9 percent in 1986. Figure 56 indicates little change in the proportion of low-income unattached individuals working full-time (only 10.5 percent in 1969 and 10.1 percent in 1986), though more are working part-time today (33.5 percent in 1986) than in the late 'sixties (26.4 percent). In 1969 63.1 percent of the low-income unattached did not work, in contrast to 56.4 percent in 1986.

d. Sources of Income (Figures 57 and 58)

Low-income families with government income transfers as their major source of income rose from 43.0 percent in 1969 to 55.5 percent by 1986, while those who get most of their income from paid employment fell from 50.9 percent in 1969 to 37.8 percent in 1986. By contrast, the proportion of unattached poor who rely on transfers as their chief source of income changed little between 1969 (57.8 percent) and 1986 (58.1 percent), although those with employment income as their primary income source increased somewhat from 28.2 percent in 1969 to 33.3 percent in 1986.

More than half of low-income families and unattached individuals now count government income security programs as their main source of income.



e. Childless Couples and Families with Children (Table AS, Figure 59)

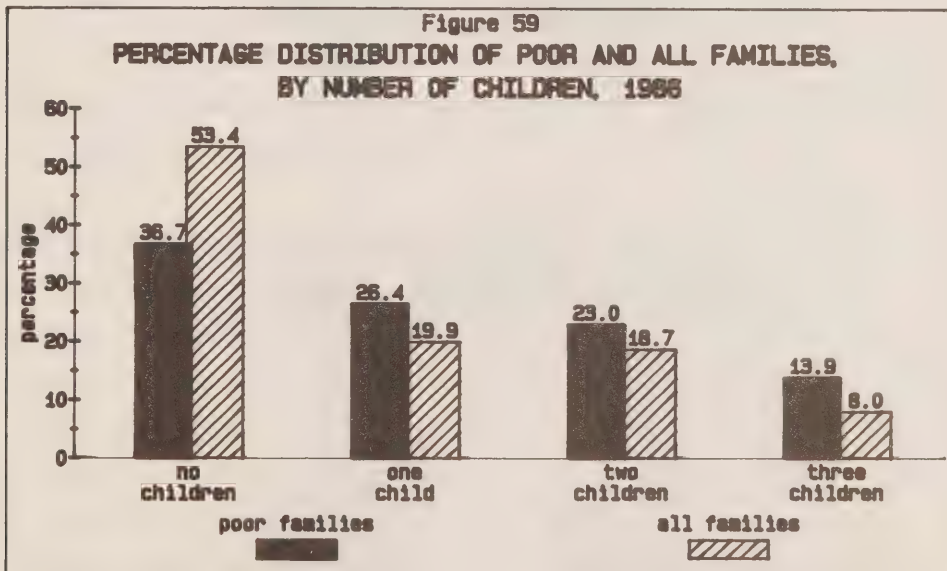
Table AS presents some revealing differences between poor and all families with and without children. Whereas the proportion of low-income childless couples declined from 45.6 percent in 1969 to 36.7 percent in 1986, the proportion of all childless couples rose significantly from 40.8 percent in 1969 to 53.4 percent in 1986. Families with one child doubled their share of poor families (from 13.5 percent in 1969 to 26.4 percent in 1986), whereas their share of all families changed little during that period. Families with two children increased their share of poor families but not of all families between 1969 and 1986. Larger families are on the wane: their declining share of all families (21.1 percent in 1969, 8.0 percent in 1986) outstripped their decreasing proportion of poor families (26.0 percent in 1969, 13.9 percent in 1986).

More than half of all families now have no children, in contrast to only one in three poor families. As a result, the proportions of low-income families with one, two and three or more children outweigh the shares in each case for all families.

TABLE AS

PERCENTAGE DISTRIBUTION OF POOR AND ALL FAMILIES, BY NUMBER OF CHILDREN, 1969-1986

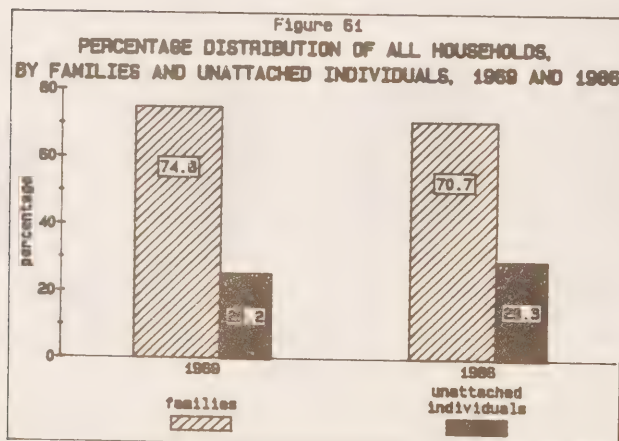
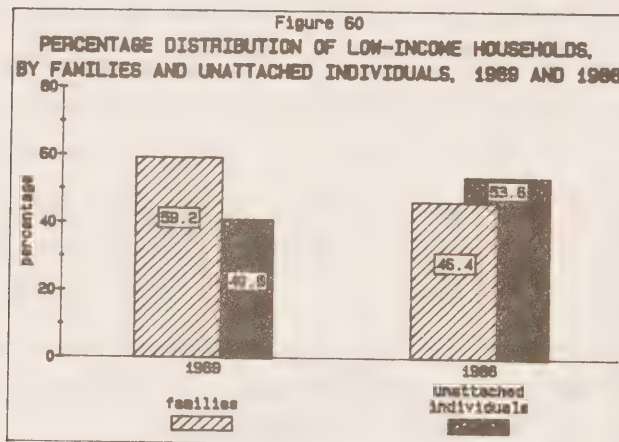
	<u>No Children</u>		<u>One Child</u>		<u>Two Children</u>		<u>Three or More Children</u>	
	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>	<u>Poor</u>	<u>All</u>
1969	45.6%	40.8%	13.5%	19.4%	14.8%	18.6%	26.0%	21.1%
1980	38.0	49.0	24.3	20.5	23.7	21.4	13.9	9.2
1981	35.9	49.5	24.9	21.4	22.8	20.0	16.4	8.8
1982	34.1	50.6	26.1	21.1	24.4	20.0	15.4	8.3
1983	35.7	50.9	26.3	21.6	23.5	19.2	14.6	8.3
1984	34.9	51.8	26.6	20.6	24.0	19.5	14.5	8.1
1985	34.9	52.6	25.6	20.0	24.9	19.7	14.5	7.7
1986	36.7	53.4	26.4	19.9	23.0	18.7	13.9	8.0



f. Families Versus Singles (Figures 60 and 61)

Figure 60 compares the relative shares of families and unattached individuals for the low-income population in 1969 with 1986. Figure 61 does the same for all family units. In both cases, unattached Canadians make up a larger share of the population now than in the past.

Unattached individuals comprise a much larger proportion of low-income households (53.6 percent in 1986) than all households (only 29.3 percent). The majority of poor family units are unattached, whereas the bulk of all family units are families of two or more persons.



INCOMES AND EARNINGS

The income trends are similar to the poverty trends. Average incomes increased significantly in the 'seventies, fell in the early part of the 'eighties and improved in 1985 and 1986.

a. Income Trends (Tables AT to AZ, Figures 62 to 76)

Families have higher average incomes today than at the end of the 'sixties. In 1969 average family income was \$8,927, which amounts to \$29,772 in 1986 dollars. In 1986 average family income was \$40,356 - 36 percent more than in 1969. Table AT gives the trends. ("Actual" dollars refer to current value, whereas "constant" dollars converts incomes to 1986 dollars in order to permit valid comparisons over time).

Table AU shows that the income of unattached Canadians averaged \$17,550 at last count (1986) - 32 percent more than in 1969 when their average income was \$3,980, or \$13,273 in constant (1986) dollars. They lost some ground in 1982 and 1983 but have seen a small but steady increase since. (Figures 62 and 63 illustrate the trends for families and unattached individuals, respectively).

Families headed by men have enjoyed larger income increases than families led by women over the years. The average income of male-led families increased by 38 percent from 1969 to 1986, whereas families headed by women averaged 33 percent more over the same period. In 1969 the average income of families headed by women was 58 percent of the average income of male-led families; in 1986 families led by women reported an average income only 55 percent of that for male-headed families. In part this stems from the rising labor force participation of wives, which has helped improve the incomes of couples. Figure 64 plots the trends.

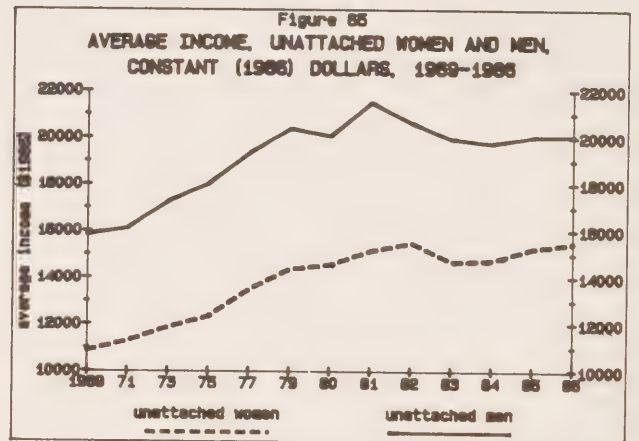
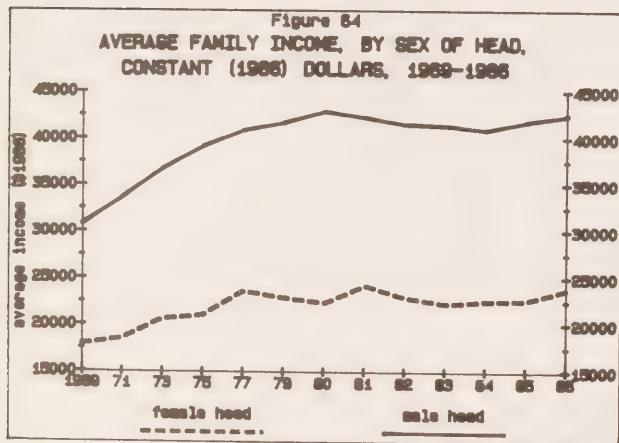
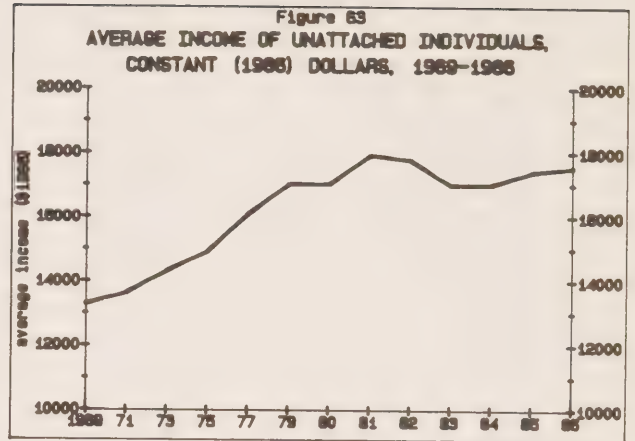
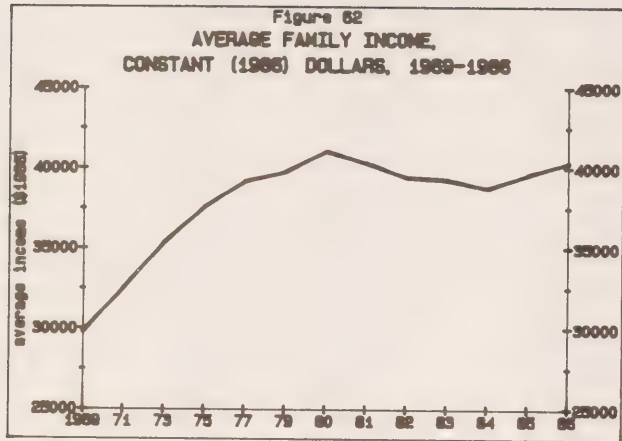
TABLE AT
AVERAGE FAMILY INCOME, 1969-1986

<u>Year</u>	<u>Actual</u>	<u>\$ Constant (1986)</u>
1969	\$ 8,927	\$29,772
1971	10,368	32,529
1973	12,716	35,370
1975	16,613	37,599
1977	20,101	39,195
1979	24,245	39,777
1980	27,579	41,074
1981	30,440	40,303
1982	32,981	39,411
1983	34,748	39,255
1984	35,767	38,721
1985	38,059	39,615
1986	40,356	40,356
 <u>Percentage</u> <u>Change</u>		
1969/1986		35.6%
1980/1986		-1.7
1985/1986		1.9

TABLE AU

AVERAGE INCOME OF UNATTACHED INDIVIDUALS, 1969-1986

<u>Year</u>	<u>Actual</u>	<u>\$ Constant (1986)</u>
1969	\$ 3,980	\$13,273
1971	4,346	13,635
1973	5,149	14,322
1975	6,595	14,926
1977	8,254	16,095
1979	10,375	17,022
1980	11,435	17,030
1981	13,535	17,920
1982	14,861	17,758
1983	15,027	16,976
1984	15,712	17,010
1985	16,729	17,413
1986	17,550	17,550
 <u>Percentage</u> <u>Change</u>		
1969/1986		32.2%
1980/1986		3.1
1985/1986		0.8



The trends are different for unattached women and men. Unattached women experienced a 43 percent real increase in their average income between 1969 and 1986, compared to a 27 percent increase for unattached men. As a result, **the average income of unattached women as a percentage of that of men rose from 69 percent in 1969 to 77 percent in 1986.** Figure 65 shows the trends.

Table AV compares the average incomes of one-parent families headed by women and two-parent families. The families are headed by persons under age 65 and their children are under 18.

TABLE AV
AVERAGE FAMILY INCOME, SINGLE-PARENT FAMILIES LED
BY WOMEN AND TWO-PARENT FAMILIES, 1980-1986

	<u>\$ Constant (1986)</u>	
	<u>Female Single Parents</u>	<u>Couples</u>
	<u>Average</u>	<u>As % of Couples</u>
1980	\$18,329	41.1%
1981	18,380	41.7
1982	16,997	39.3
1983	17,196	39.6
1984	17,560	40.8
1985	17,007	38.5
1986	17,353	38.6
Percentage Change		
1980/1986	-5.3%	0.7%
1985/1986	2.0	1.7

Couples with children averaged two-and-a-half times the income of single-parent families headed by women in 1986. The average income of sole-support mothers was higher in 1980 than in 1986. By contrast, couples with children averaged slightly more in 1986 than in 1980. The average income of female-led one-parent families has ranged between 39 and 41 percent since 1980.

Table AW below divides sole-support mothers into those with and without employment earnings. Those with no earnings from work - welfare recipients, in most cases - have very low average incomes. In 1986 single-parent families led by mothers without earnings averaged just \$10,140, which is little more than half the \$19,027 average for sole-support mothers in the paid labor force.

TABLE AW

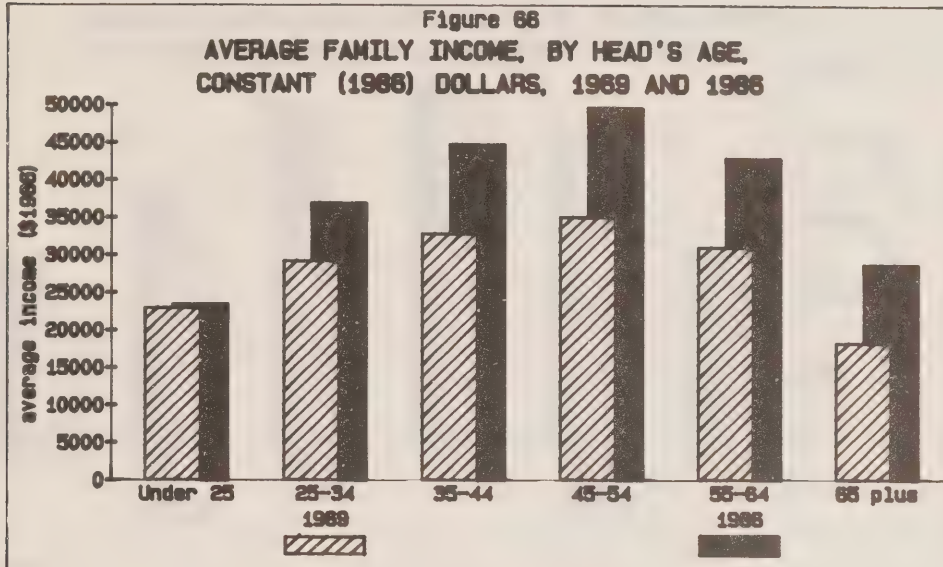
**AVERAGE FAMILY INCOME, SINGLE-PARENT FAMILIES LED
BY WOMEN, WITH AND WITHOUT EMPLOYMENT EARNINGS, 1980-1986**

\$ Constant (1986)

Female Single Parents

	<u>No Earner</u>	<u>Earner</u>	<u>No Earner as % of Earner</u>
1980	\$ 8,729	\$18,282	47.7%
1981	8,391	19,230	43.6
1982	9,110	18,336	49.7
1983	9,091	19,365	46.9
1984	9,217	19,377	47.6
1985	9,313	17,806	52.3
1986	10,140	19,027	53.3
 <u>Percentage Change</u>			
1980/1986	16.2%	4.1%	
1985/1986	8.9	6.9	

Figure 66 charts trends in the average incomes of families according to the age of their heads.



The most striking finding is the poor position of young families. The average income of families headed by Canadians under 25 was \$23,410 in 1986 - little more than what it was in 1969 (\$23,002 in 1986 dollars). Their average income has declined in constant dollars by \$5,608 since 1980 - a hefty 19 percent drop.

Older families, on the other hand, have experienced substantial income gains over the years. Families headed by elderly Canadians have enjoyed a 57 percent rise in their real income since the end of the 'sixties. Again, however, families headed by persons in all age groups have seen their incomes remain the same or decline since 1980.

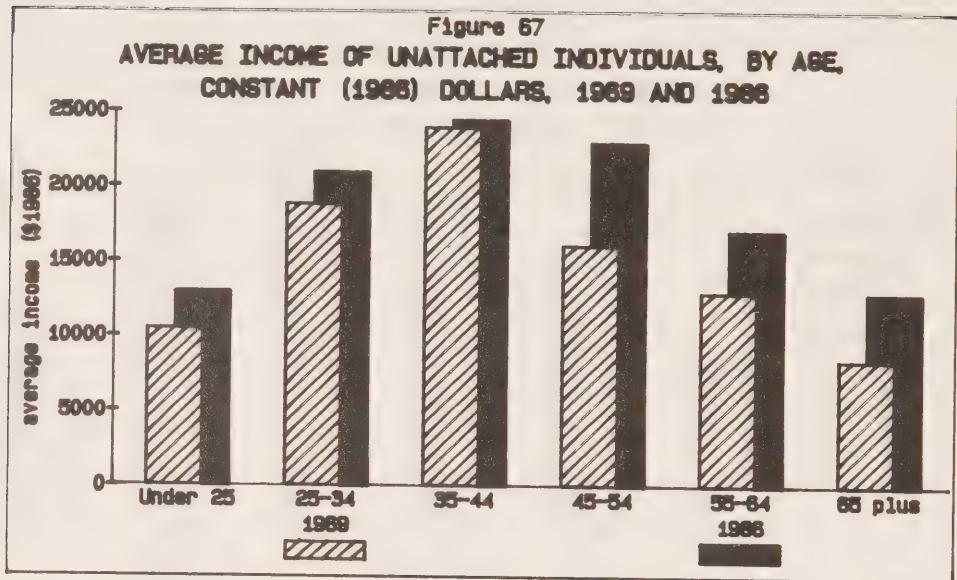


Figure 67 shows that unattached individuals aged 65 and over enjoyed a sizeable gain in their real income from 1969 to 1986. The younger unattached saw smaller increases. Those under 25 registered a larger increase (23 percent) in their income over the years that the young who head families (only 2 percent).

Table AX charts estimated average incomes from 1980 to 1986 for families in different income groups. Total income is divided into five equal groups or 'quintiles'. (Estimates are by the National Council of Welfare).

TABLE AX

AVERAGE FAMILY INCOME, BY QUINTILE, 1980-1986

	<u>\$ Constant (1986)</u>					
	<u>lowest quintile</u>	<u>second quintile</u>	<u>middle quintile</u>	<u>fourth quintile</u>	<u>highest quintile</u>	<u>highest/ lowest</u>
1969	\$ 9,229	\$18,756	\$26,646	\$34,982	\$59,097	6.4
1980	12,733	26,698	37,788	49,494	78,862	6.2
1981	12,897	25,995	36,877	48,565	77,381	6.0
1982	12,414	24,829	35,459	47,490	76,653	6.2
1983	12,169	24,142	34,937	47,302	77,528	6.4
1984	11,810	23,813	34,849	46,659	76,474	6.5
1985	12,479	24,363	35,455	47,736	78,041	6.3
1986	12,712	24,819	36,119	48,629	79,501	6.3
 <u>Percentage Change</u>						
1969/1986	37.7%	32.3%	35.6%	39.0%	34.5%	
1980/1986	-0.2	-7.0	-4.4	-1.7	0.8	
1985/1986	1.9	1.9	1.9	1.9	1.9	

Families in each income quintile had substantially higher incomes in 1986 than in 1969. However families in all income groups but the highest lost ground during the recession so that, though incomes improved in 1985 and 1986, their average incomes are still lower than they were in 1980. Families in the top income quintile had a higher average income in 1986 (\$79,501) than in 1980 (\$78,862). **The gap between families in the lowest and highest categories has not lessened over the years: those in the top group enjoy six times as much income as the low-income families.**

TABLE AY

AVERAGE INCOME OF UNATTACHED INDIVIDUALS, BY QUINTILE, 1980-1986

	<u>\$ Constant (1986)</u>					
	<u>lowest quintile</u>	<u>second quintile</u>	<u>middle quintile</u>	<u>fourth quintile</u>	<u>highest quintile</u>	<u>highest/ lowest</u>
1969	\$ 2,588	\$ 5,442	\$10,154	\$17,056	\$31,126	12.0
1980	3,832	8,004	13,198	21,884	38,233	10.0
1981	4,480	8,512	14,067	22,490	40,052	8.9
1982	4,351	8,435	13,674	22,109	40,311	9.3
1983	4,074	8,064	12,308	20,541	39,978	9.8
1984	4,167	8,420	12,927	20,922	38,612	9.3
1985	4,527	8,881	13,060	21,070	39,527	8.7
1986	4,651	9,126	13,426	21,411	39,224	8.4
 <u>Percentage Change</u>						
1969/1986	79.7%	67.7%	32.2%	25.5%	26.0%	
1980/1986	21.4	14.0	1.7	-2.2	2.6	
1985/1986	2.7	2.8	2.8	1.6	-0.8	

Unattached individuals in all income groups had better average incomes in 1986 than in 1969 and the bottom two quintiles saw the largest percentage increase. Despite losses as a result of the recession, all unattached Canadians did better in 1985 and 1986 and now have higher average incomes than they did in 1980, with the exception of those in the fourth quintile. There is still a wide gap between rich and poor unattached individuals, though it is not as wide as it was in 1969. **Unattached individuals in the top income group have eight times the average income of those in the lowest quintile.**

TABLE AZ
AVERAGE FAMILY INCOME, BY PROVINCE, 1986

	<u>Average Family Income</u>	<u>Average Head's Income</u>	<u>Average Wife's Income</u>	<u>Average Transfer Payments</u>	<u>Province/ Canada</u>
Newfoundland	\$29,446	\$25,361	\$ 6,152	\$ 7,236	73.0%
P.E.I.	31,817	28,156	8,330	6,243	78.8
Nova Scotia	34,457	30,033	6,998	5,451	85.4
New Brunswick	32,665	29,617	7,168	5,998	80.9
Quebec	37,282	33,320	8,506	4,713	92.4
Ontario	45,078	40,519	10,278	3,530	111.7
Manitoba	36,390	31,837	9,133	4,187	90.2
Saskatchewan	36,125	31,348	8,907	3,968	89.5
Alberta	42,428	38,130	10,564	3,631	105.1
British Columbia	39,937	36,292	9,546	4,306	99.0
CANADA	40,356	26,962	9,351	4,215	100.0

Table AZ shows that average family income in each province in 1986 ranged from a low of \$29,446 in Newfoundland to a high of \$45,078 in Ontario. The average income of family heads went from \$25,361 in Newfoundland to \$40,519 in Ontario, and the average income of wives from \$6,152 in Newfoundland to \$10,564 in Alberta. While Newfoundland had the lowest average incomes in 1986, it had the highest average transfer payments - \$7,236 - whereas Ontario families were lowest at \$3,530. The last column shows each province's average family income as a percentage of the national family average; results range from 73.0 percent for Newfoundland to 111.7 percent for Ontario. Figure 68 through 71 illustrate Table AZ.

Figure 68

AVERAGE FAMILY INCOME, BY PROVINCE, 1986

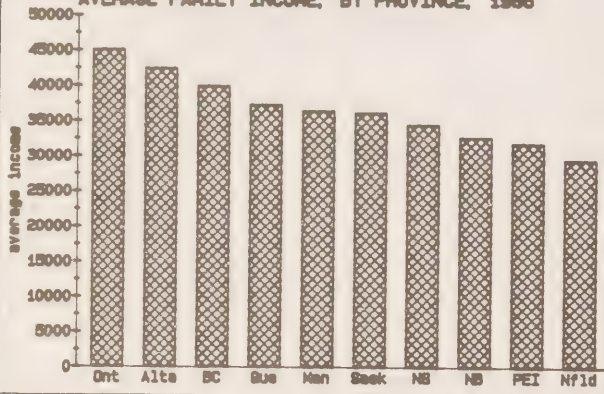


Figure 69

AVERAGE INCOME OF FAMILY HEADS, BY PROVINCE, 1986

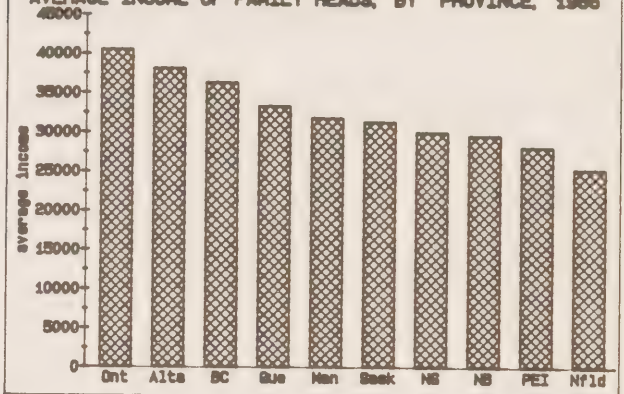


Figure 70

AVERAGE INCOME OF WIVES, BY PROVINCE, 1986

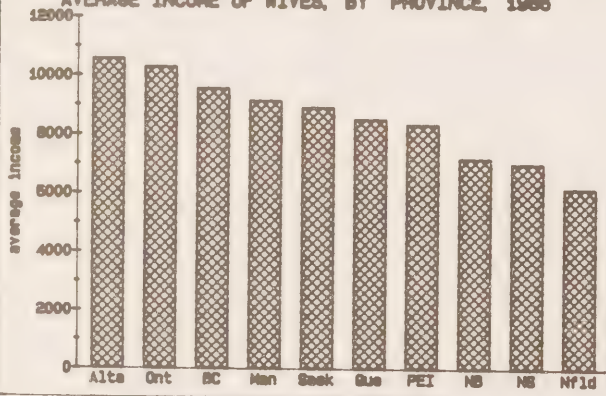
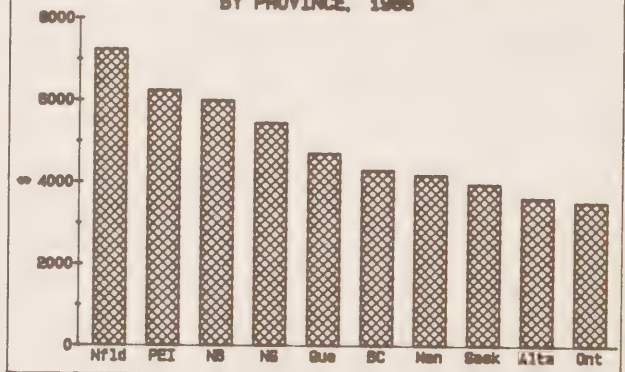


Figure 71

AVERAGE TRANSFER PAYMENTS TO FAMILIES, BY PROVINCE, 1986



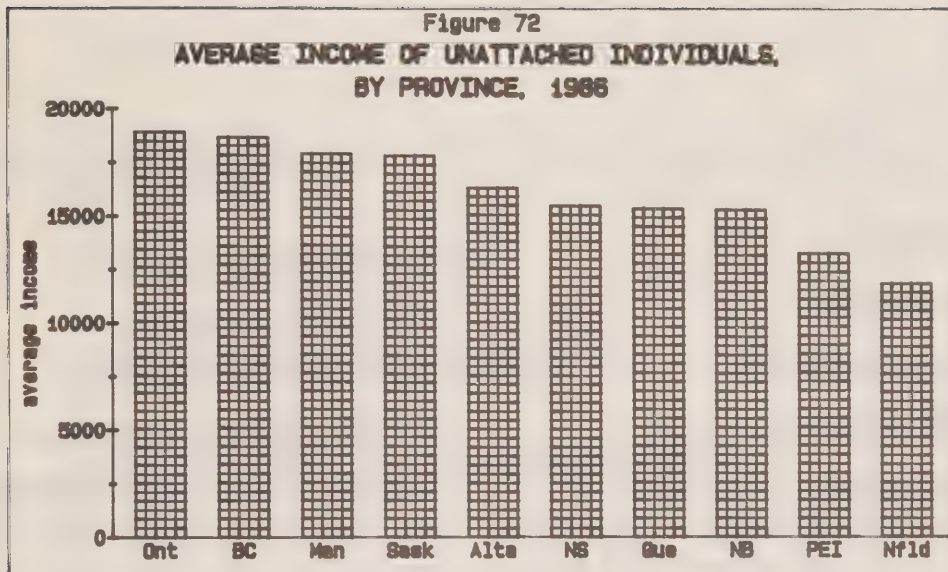
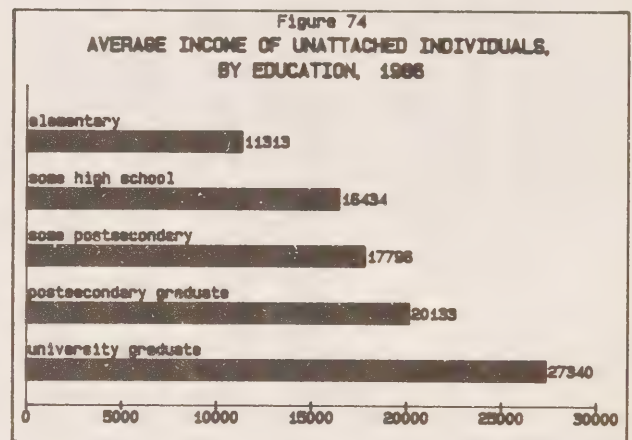
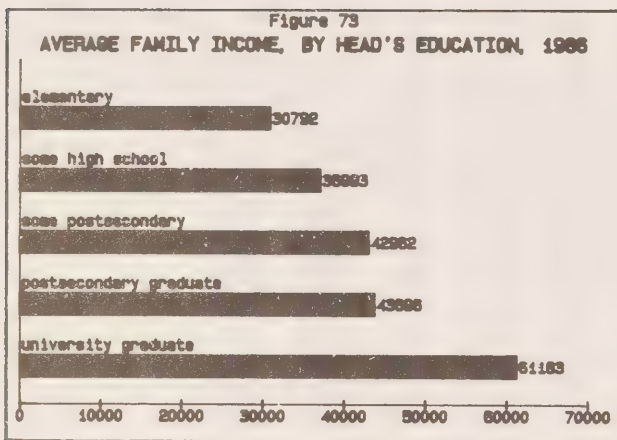
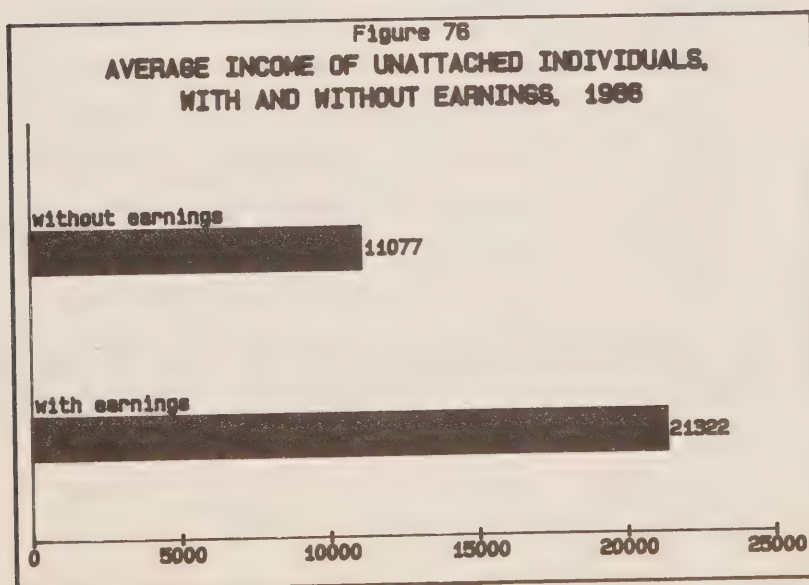
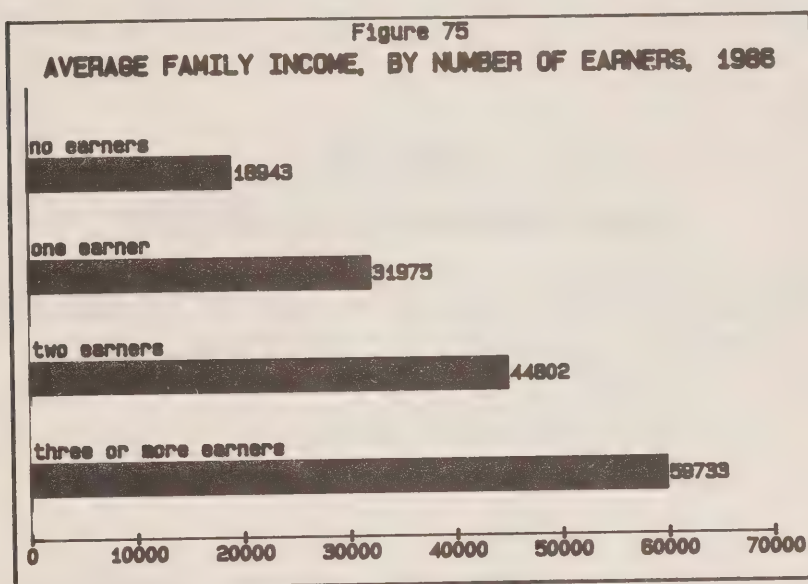


Figure 72 ranks the provinces according to the average income of unattached individuals. Newfoundland was lowest (\$11,844) and British Columbia the highest (\$18,948) in 1986, followed closely by Ontario at \$18,894.



Education makes a big difference to a family's income, as shown by Figure 73. Families headed by persons with only elementary education have half the average income of families whose heads have university degrees (\$30,792 as opposed to \$61,183). The higher the level of schooling, the higher the average family income. Figure 74 shows a similar picture for unattached Canadians.

Figure 75 shows clearly that average family income increases as the number of earners increases, as one would expect. The differences are marked. Figure 76 illustrates a similar difference in the average incomes of unattached Canadians with and without employment earnings.



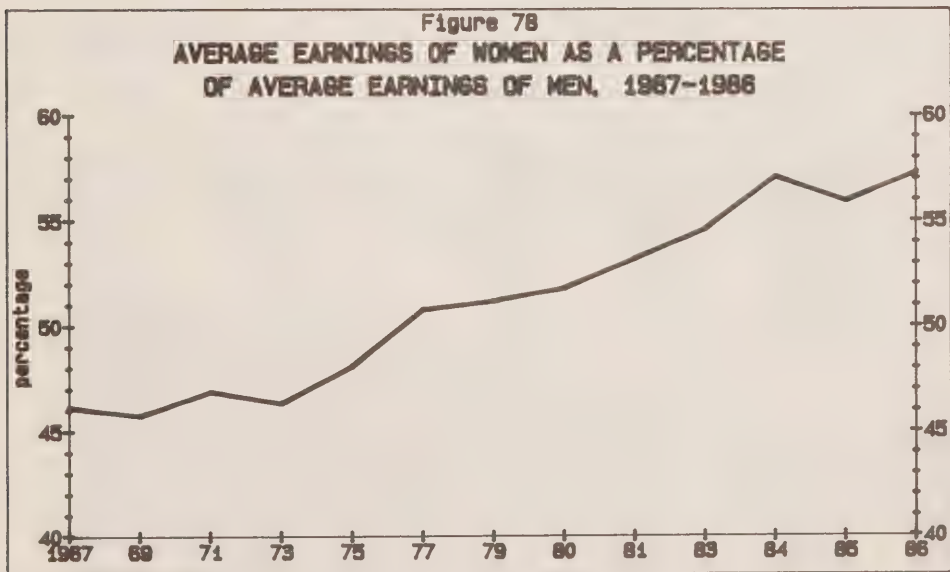
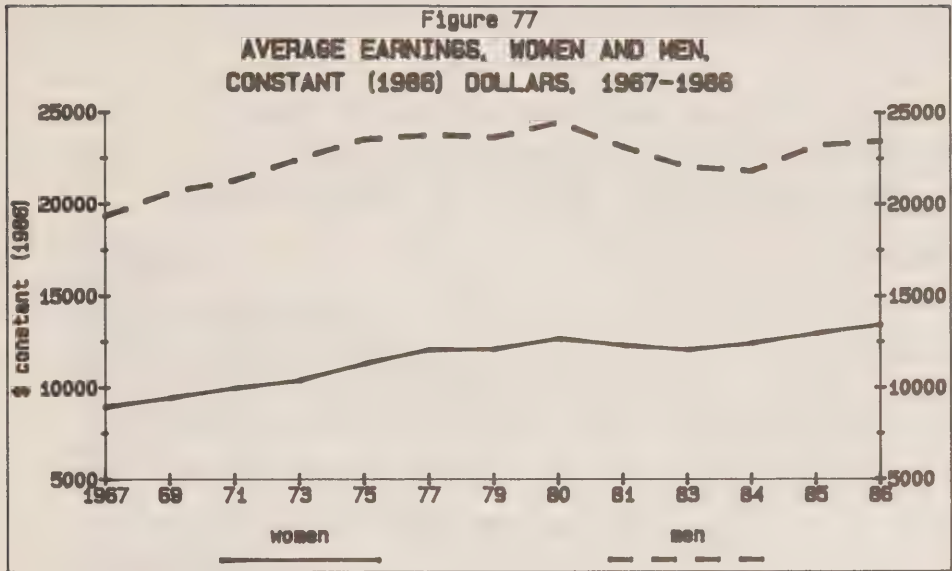
b. Earnings Trends (Tables BA and BB, Figures 77 to 80)

Women realized a substantial 51 percent real increase in their average earnings between 1967 and 1986, which is more than double the 21 percent increase in the average earnings of men during the same period. In 1967 the average Canadian woman earned less than half of what the average man earned; this ratio has improved over the years, though women still earn much less than men (only 57 percent at last count).

TABLE BA

AVERAGE EARNINGS, BY SEX, 1967-1986

	<u>Women</u>		<u>Men</u>		<u>Women/ Men</u>
	<u>Actual</u>	<u>\$ Constant (1986)</u>	<u>Actual</u>	<u>\$ Constant (1986)</u>	
1967	\$ 2,454	\$ 8,902	\$ 5,323	\$19,309	46.1%
1969	2,826	9,425	6,184	20,624	45.7
1971	3,307	9,968	7,056	21,268	46.9
1973	3,887	10,387	8,402	22,452	46.3
1975	5,200	11,307	10,815	23,516	48.1
1977	6,442	12,068	12,690	23,773	50.8
1979	7,673	12,094	14,981	23,613	51.2
1980	8,512	12,677	16,428	24,466	51.8
1981	9,653	12,279	18,159	23,098	53.2
1983	10,472	12,022	19,164	22,001	54.6
1984	11,949	12,428	20,935	21,774	57.1
1985	12,454	12,963	22,298	23,210	55.9
1986	13,431	13,431	23,446	23,446	57.3
 <u>Percentage Change</u>					
1967/1986		50.9%		21.4%	
1980/1986		5.9		-4.2	
1985/1986		3.6		1.0	



The marked difference in earnings between the sexes is not simply because more women than men work part-time. The sex differential persists even if we divide earnings into full-time and part-time, though it is less pronounced than when both categories are added together as in Table BA.

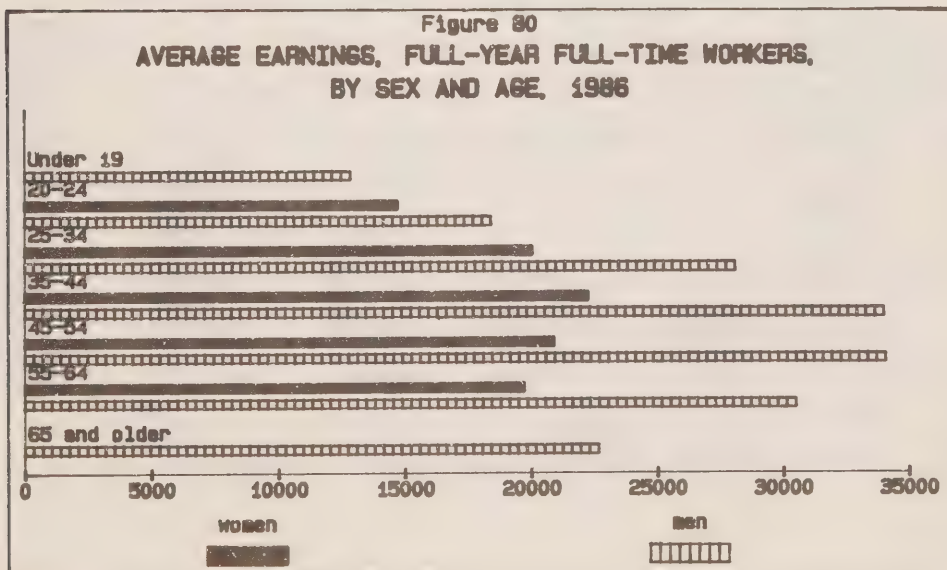
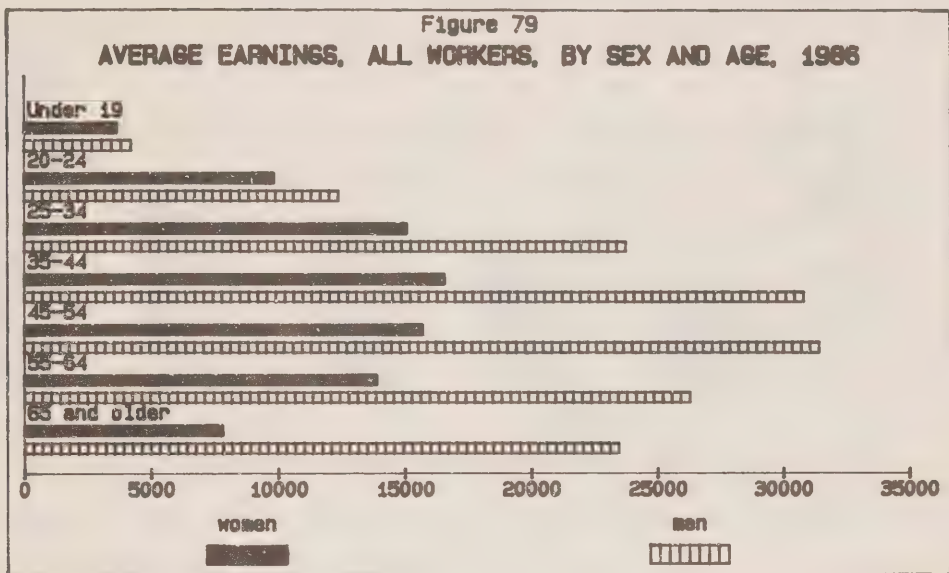
Table BB shows that women working full-time averaged 66.0 percent of men's full-time earnings in 1986, while women with part-time jobs earned 73.6 percent of their male counterparts. The earnings of full-time female workers rose substantially in real value between 1967 and 1986, while men working full-time gained less. Women working part-time enjoyed a large increase in average earnings from 1967 to 1986. Part-time working men earned a little more in 1986 (\$9,883) than in 1967 (\$9,656).

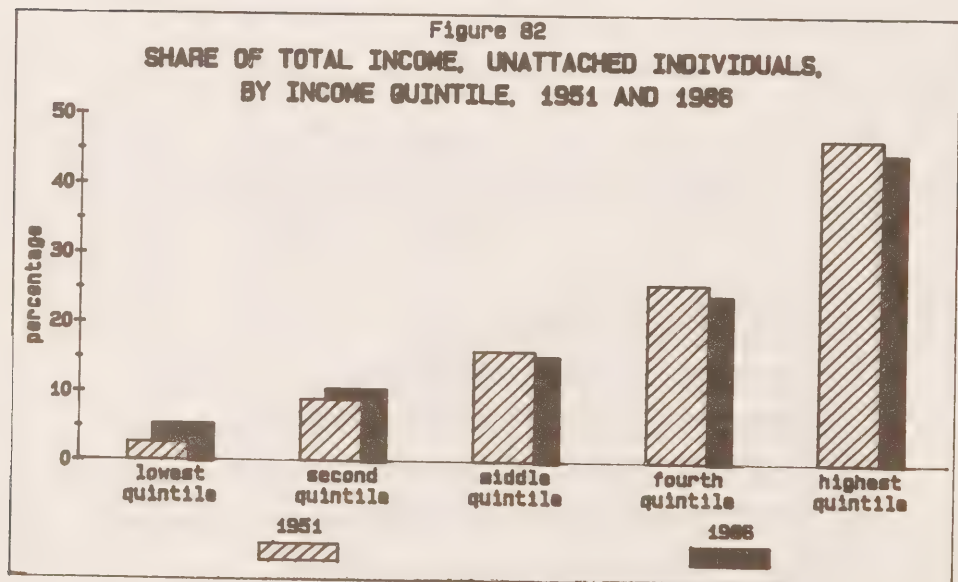
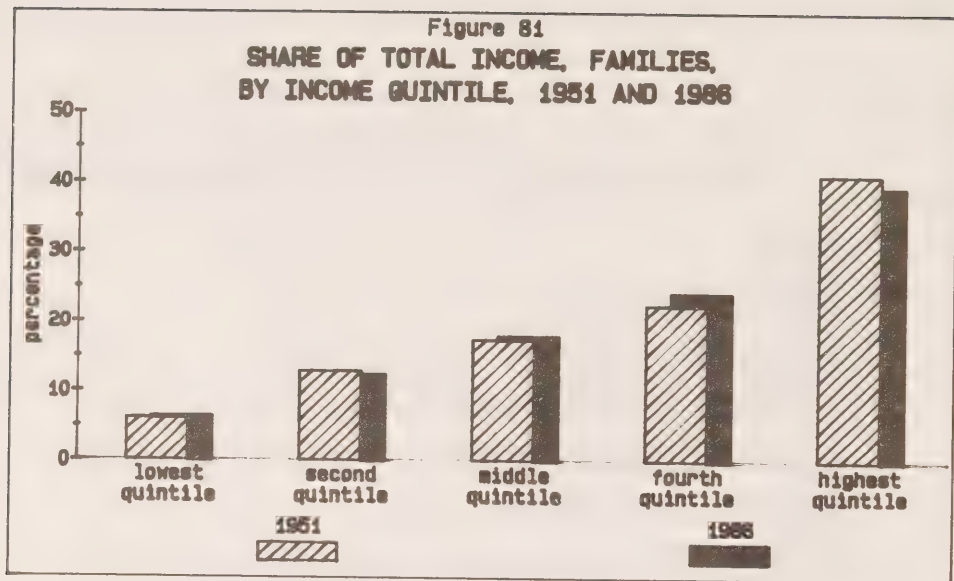
TABLE BB

**AVERAGE EARNINGS, BY PART-TIME/FULL-TIME
WORKER STATUS AND SEX, 1967-1986**

<u>\$ Constant (1986)</u>						
	<u>Full-Time</u>			<u>Part-Time</u>		
	<u>Women</u>	<u>Men</u>	<u>Women/Men</u>	<u>Women</u>	<u>Men</u>	<u>Women/Men</u>
1967	\$13,592	\$23,270	58.4%	\$4,882	\$ 9,656	50.6%
1980	19,929	31,005	64.3	6,745	10,871	62.0
1981	19,341	30,392	63.6	7,028	11,349	61.9
1982	19,186	29,988	64.0	6,569	10,481	62.7
1984	19,634	29,961	65.5	6,907	9,945	69.5
1985	19,502	30,027	64.9	6,696	9,581	69.9
1986	19,874	30,131	66.0	7,277	9,883	73.6
Percentage <u>Change</u>						
1967/1986	46.2%	29.5%		49.0%	2.3%	
1980/1986	-0.3	-2.8		7.9	-9.1	
1985/1986	1.9	0.3		8.7	3.1	

Figure 79 compares the average earnings of all male and female workers in different age groups in 1985. Figure 80 looks at full-year, full-time workers in different age groups in 1985. (Data are not available for full-time women in the under-19 and over-65 age groups).





THE DISTRIBUTION OF INCOME

Another way of looking at income inequality is to compare the shares of income held by Canadians in different income groups. 'Income distribution', as it is termed, is very unequal in our society and the degree of inequality has not lessened much over the years.

Table BC divides both families and unattached persons into five equal groups and then compares the share of income going to each group in 1951 and 1986. (Income includes government transfer payments such as old age pensions and social assistance; income is gross - i.e., before deductions for income taxes, Canada or Quebec Pension Plan contributions and unemployment insurance premiums). Table BD shows the income levels which correspond to each group (known as a "quintile" or fifth). Two features stand out: **income is distributed in a highly unequal and regressive manner, and there has been little progress in redistributing income over the last thirty-five years.**

Income is divided in a highly regressive manner - the higher the income group, the greater its share. Families in the lowest income group have only 6.3 percent of total family income. The highest-income families, in contrast, enjoy 39.4 percent of total family income - six times the poor group's share. The distribution of income among unattached individuals is even more skewed: the top group gets 44.7 percent of total income - eight times the bottom group's 5.3 percent share.

Nor has the unequal distribution of income improved much over the years. In 1951 the lowest-income group of families had 6.1 percent of family income; in 1986 their share was fractionally larger (6.3 percent). Middle and upper-middle income families increased their share of income a bit over the 35-year period. The top income group saw a modest decline

TABLE BC

SHARES OF TOTAL INCOME BY INCOME QUINTILE, 1951 AND 1986

	<u>Families</u>		<u>Unattached Individuals</u>	
	<u>1951</u>	<u>1986</u>	<u>1951</u>	<u>1986</u>
lowest quintile	6.1%	6.3%	2.7%	5.3%
second quintile	12.9	12.3	8.9	10.4
middle quintile	17.4	17.9	16.1	15.3
fourth quintile	22.4	24.1	25.8	24.2
highest quintile	41.1	39.4	46.6	44.7
top/bottom	6.7	6.3	17.3	8.4

Note: "Quintile" means fifth; total income is divided into five equal groups (See Table BD for corresponding income levels).

TABLE BD

UPPER LIMITS OF INCOME QUINTILES, 1986

	<u>Families</u>	<u>Unattached Individuals</u>	<u>All Family Units</u>
lowest quintile	\$18,977	\$ 7,612	\$12,558
second quintile	30,500	10,686	22,836
middle quintile	41,605	16,946	34,785
fourth quintile	56,703	26,660	50,380

Note: Families in the lowest income quintile are those with incomes up to \$18,977; those in the second quintile have incomes between \$18,978 and \$30,500; those in the middle quintile have incomes between \$30,501 and \$41,605; those in the fourth quintile are between \$41,606 and \$56,703; those in the top quintile are over \$56,704.

in its share of income, though at 39.4 percent it still far exceeds the shares of other groups. The distribution of income among unattached individuals has become somewhat less extreme since 1951, but it is still more unequally apportioned than is family income.

The five lines in Figure 83 trace the share of total income going to family units (i.e., families and unattached individuals) in the various income quintiles. The lines show only minor fluctuations from 1951 to 1986.

The gap between the top and bottom income quintiles is wide and has changed little over the years. In 1986 family units in the highest income category (those with incomes over \$50,380) got 43.0 percent of total income - nine times the lowest quintile's (those with incomes below \$12,558) 4.7 percent share.

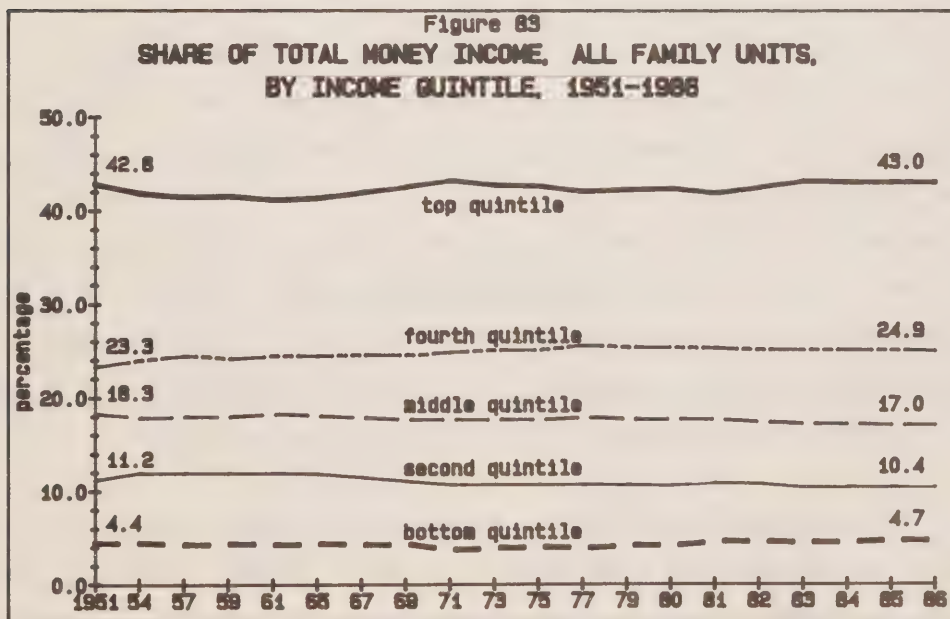


TABLE BE
SHARES OF TOTAL INCOME, BY INCOME QUINTILE, 1980-1986

<u>Families</u>							
Quintile	1980	1981	1982	1983	1984	1985	1986
lowest	6.2%	6.4%	6.3%	6.2%	6.1%	6.3%	6.3%
second	13.0	12.9	12.6	12.3	12.3	12.3	12.3
middle	18.4	18.3	18.0	17.8	18.0	17.9	17.9
fourth	24.1	24.1	24.1	24.1	24.1	24.1	24.1
highest	38.4	38.4	38.9	39.5	39.5	39.4	39.4

<u>Unattached Individuals</u>							
Quintile	1980	1981	1982	1983	1984	1985	1986
lowest	4.5%	5.0%	4.9%	4.8%	4.9%	5.2%	5.3%
second	9.4	9.5	9.5	9.5	9.9	10.2	10.4
middle	15.5	15.7	15.4	14.5	15.2	15.0	15.3
fourth	25.7	25.1	24.9	24.2	24.6	24.2	24.2
highest	44.9	44.7	45.4	47.1	45.4	45.4	44.7

Table BE looks at recent trends in the distribution of income. From 1981 to 1984 families in the lowest income group received a steadily declining share of income, though their share improved in 1985. Families in the second quintile saw their share drop from 13.0 percent in 1980 to 12.3 percent in 1986. Families in the middle quintile have a smaller share now (17.9 percent) than at the start of the decade (18.4 percent). Those in the fourth quintile had the same share of income each year between 1980 and 1986. Families in the top income group had a larger share in 1986 (39.4 percent) than in 1980 (38.4 percent).

Unattached individuals in the bottom income group also saw their share of income dwindle each year from 1981 to 1983, though it improved in 1984 and 1985. Those in the second quintile got more in 1986

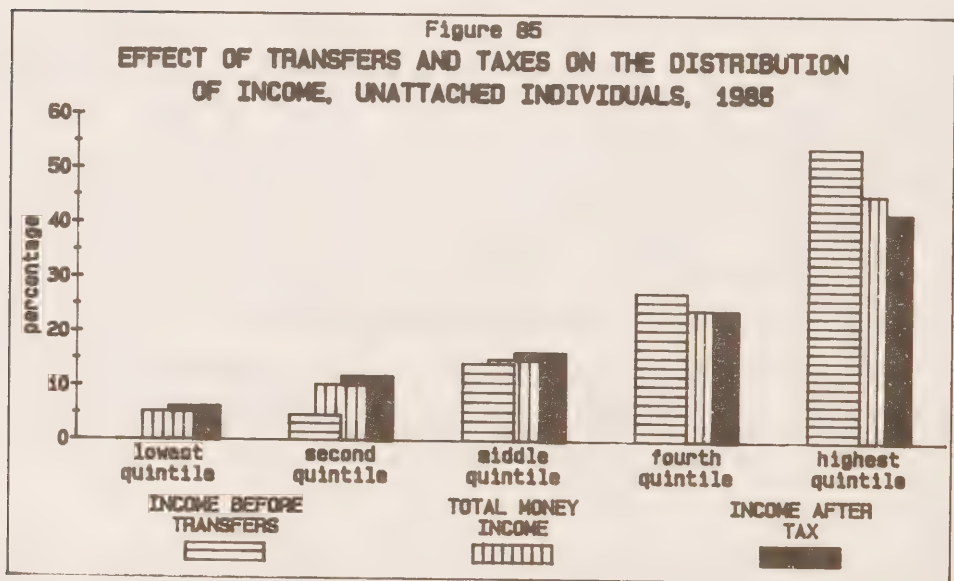
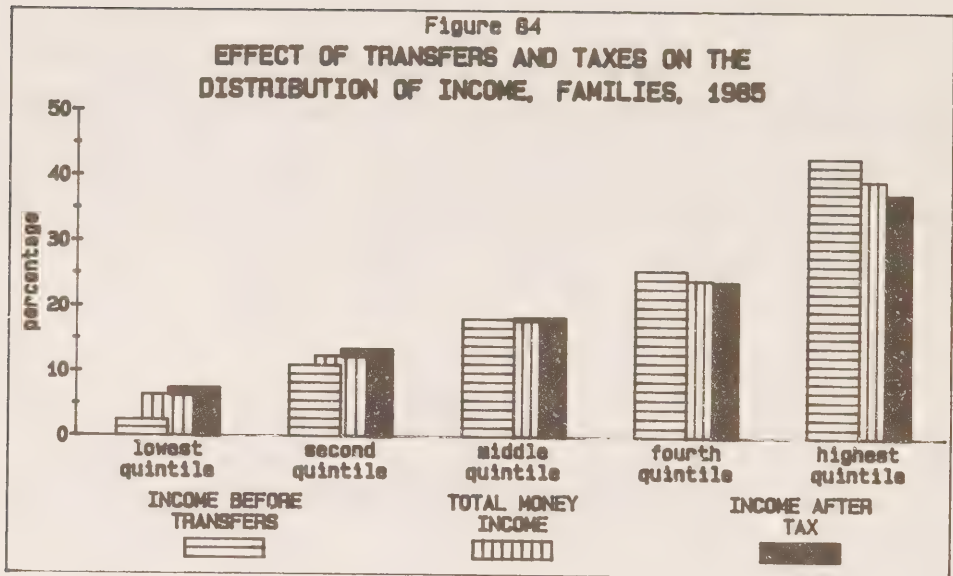
(10.4 percent) than in 1980 (9.4 percent). Unattached individuals in the middle and upper income categories received similar share of income in 1980 and 1986.

The gap between the rich and poor would be even wider were it not for government transfer programs and income taxes. Table BF shows the distribution of income before and after taxes and transfers for 1985, the most recent year for which figures are available. Figures 84 and 85 illustrate the findings.

TABLE BF
THE IMPACT OF TAXES AND TRANSFERS ON THE
DISTRIBUTION OF INCOME, 1985

<u>Families</u>			
Quintile	Income Before Transfers	Total Money Income	Income After Tax
lowest	2.5%	6.3%	7.2%
second	10.9	12.3	13.3
middle	18.1	17.9	18.3
fourth	25.6	24.1	23.8
highest	42.9	39.4	37.3
top/bottom	17.2	6.3	5.1

<u>Unattached Individuals</u>			
Quintile	Income Before Transfers	Total Money Income	Income After Tax
lowest	0.1%	5.2%	6.1%
second	4.5	10.2	11.7
middle	14.2	15.0	16.2
fourth	27.3	24.2	24.1
highest	54.0	45.4	42.0
top/bottom	540.0	8.7	6.9

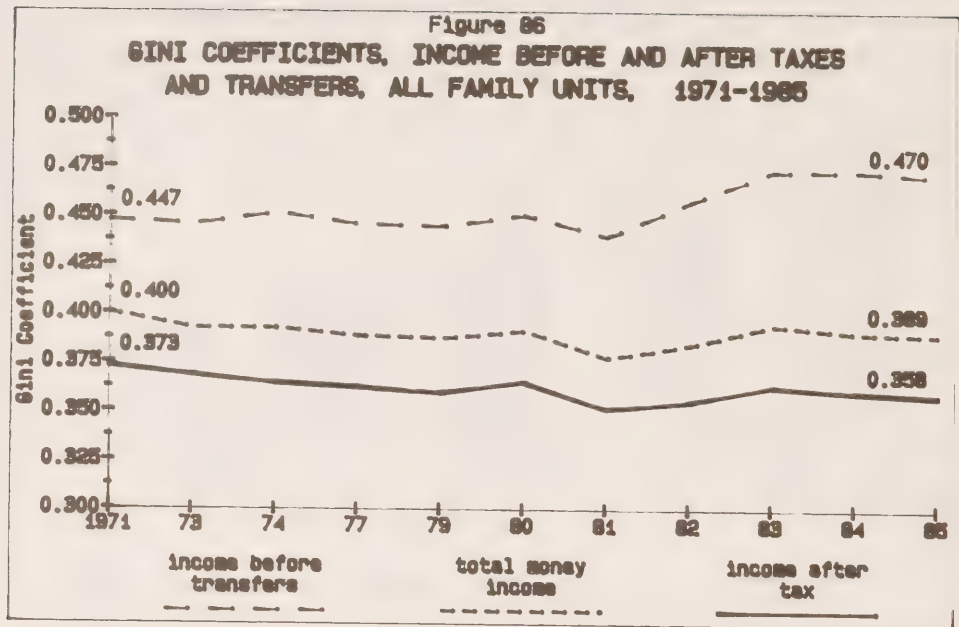


The first column indicates that families in the lowest income group got only 2.5 percent of total family income in 1985. Once income from government programs - e.g., old age pensions, family allowances, the child tax credit, unemployment insurance, provincial tax credits - is taken into account, families in the bottom two quintiles increase their share of total income, while those in the middle and upper levels receive less than before. Factor in the impact of federal and provincial income taxes, and low and middle-income families come out ahead while those in the top two quintiles get somewhat smaller shares.

The results are similar for unattached individuals. Government transfers are essential to unattached individuals in the lowest income group, many of whom are pensioners who depend on Old Age Security, the Guaranteed Income Supplement and (where offered) provincial income supplements.

On the other hand, **taxes and transfers clearly have a limited redistributive impact.** Even after paying income tax, families in the highest quintile receive five times the share of those in the bottom group, while upper-income unattached Canadians enjoy seven times the share of those in the lowest income category.

There is evidence that the recession increased income inequality, although taxes and transfers offset this trend. Figure 86 shows "Gini Coefficients" for three definitions of income between 1971 and 1985. The Gini Coefficient is a measure of income inequality - the higher the result, the more unequally income is distributed. Figure 86 looks at all family units (i.e., families and unattached individuals together).



The top line plots the Gini Coefficients for income before income taxes and government transfers from 1971 to 1985 - i.e., for income from earnings, investments and other sources before government gives through social programs and takes through income taxes. The line curved upward from 1981 (when the recession began) to 1983, indicating growing income inequality. The Gini Coefficient for 1985 (0.470) was higher than 1971 (0.447), which means that income from the market is more unequally distributed today than at the beginning of the 'seventies.

The middle line gives the Gini Coefficients for income including government transfer payments such as welfare and unemployment insurance. The results are lower (0.389 in 1985) than for pre-transfer income, indicating that income security benefits lessen income inequality to some extent. Income taxes also reduce income inequality, though not as much as transfer payments.

Although pre-tax/transfer income was **more** unequally distributed in 1985 than in 1971, income after transfers was slightly **less** unequally distributed (0.389 in 1985 as opposed to 0.400 in 1971) as was income after taxes and transfers (0.358 in 1985, 0.373 in 1971). **Government - by means of social programs and income taxes - helped mitigate the growing inequality of income caused by the recession of the early 'eighties.**

SUMMARY

Poverty in Canada decreased during the 'seventies, rose substantially during the first part of the 'eighties as a result of the recession, and declined again in 1985 and 1986. At last count (1986):

- * 3,689,000 or 14.9 percent of women, men and children in this country live below the poverty line.
- * 851,000 or 12.3 percent of all families and 982,000 or 34.3 percent of unattached Canadians have low incomes.
- * Newfoundland has the highest poverty rates (22.8 percent of all Newfoundlanders, 21.1 percent of the province's families and 49.1 percent of its unattached individuals are poor). Ontario has the lowest poverty rates - 10.8 percent of all persons in the province, 8.7 percent of families and 28.3 percent of the unattached live on low incomes.
- * Four in ten Canadian families headed by women (38.7 percent) are poor compared to only one in ten families (9.0 percent) led by men.
- * 38.5 percent of unattached women and 29.2 percent of unattached men are under the poverty line.
- * There are over a million poor children (1,016,000) under age 16 in Canada, which comes to 17.6 percent of the total or one child in six.
- * Of the total 1,016,000 low-income children, 610,400 or 60.1 percent live in two-parent families; 361,000 or 35.5 percent are in single-parent families headed by women; and the remaining 44,600 or 4.4 percent are in families led by single fathers.
- * Newfoundland has the highest incidence of child poverty (26.8 percent of children under age 16 are poor) and Ontario the lowest (13.4 percent).
- * The poverty rate for children in female-led one-parent families ranges from a high of 76.4 percent in New Brunswick to a 'low' of 49.8 percent in Prince Edward Island.

- * The risk of poverty is much higher for large families:
21.5 percent of families with three or more children are poor compared to 16.4 percent of those with one child, 15.2 percent for those with two children to support and only 8.5 percent of childless couples.
- * More than half of single-parent families headed by women - 56.0 percent in 1986 - have low incomes in contrast to two in ten male-led one-parent families (22.9 percent) and only one in ten couples with children (10.4 percent).
- * Poverty is widespread among young Canadians: 30.2 percent of families with heads under age 25 and 47.7 percent of unattached individuals under 25 have low incomes.
- * Poverty had declined significantly among elderly Canadians, particularly those who live in families. The poverty rate for families with aged heads declined from 41.4 percent in 1969 to 14.2 percent in 1980 and just 9.5 percent in 1986. While the risk of poverty for the unattached elderly is still high - 42.7 percent had low incomes in 1986 - their poverty rate was much worse at the beginning of the decade (61.5 percent in 1980).
- * Poverty among unattached elderly women, most of them widows, remains a serious problem: close to half (46.1 percent) of unattached women over age 65 are poor compared to 31.9 percent of unattached aged men.
- * The risk of poverty is clearly linked to education. Just 4.2 percent of families headed by a person with a university degree live below the poverty line compared to 14.4 percent with only high school education and 16.7 percent of families led by those with only elementary schooling. The poverty rate for unattached individuals ranges from 53.5 percent for those with only elementary education to 15.8 percent for those who graduated from university.
- * More than half of low-income families are working poor: 55.7 percent are headed by someone in the labor force and 26.7 percent by a year-round worker. By contrast, most poor unattached individuals (61.1 percent) are not in the labor force, which is not surprising since many are elderly.

- * The risk of poverty is strongly linked to attachment to the labor force. Only 9.0 percent of families with heads in the labor force are poor compared to 23.3 percent of those whose heads are not in the labor force. The risk of poverty for unattached individuals is twice as high for those outside the labor force as those in the labor force (52.5 percent versus 22.3 percent).
- * The more weeks worked by the family head, the better the odds. The poverty rate is 42.2 percent for families whose heads work only one to nine weeks compared to just 5.2 percent for those who work 49 weeks or more.
- * Families whose heads work part-time are five times more likely to be poor than those led by full-time workers (21.7 percent as opposed to 4.8 percent). Almost half of unattached individuals (48.2 percent) who work part-time are under the poverty line compared to only 8.7 percent of full-time workers.
- * Families whose heads were out of work at some point in 1986 were twice as likely to be poor as those in which no member was unemployed; the respective poverty rates were 25.6 percent and 10.5 percent.
- * As expected, the risk of poverty is dramatically lower for families with more than one earner. The poverty rates are 33.8 percent for those with no earner, 19.2 percent for those with one earner, 5.3 percent for those with two earners and a mere 2.9 percent for families with three or more earners.
- * Families headed by immigrants have a lower poverty rate than those with heads born in Canada - 11.6 percent as opposed to 12.5 percent. However unattached immigrants have a higher poverty rate than native-born unattached individuals (38.7 percent and 3.5 percent, respectively).
- * Renters have higher poverty rates than homeowners. The poverty rates are 7.3 percent for families which own their homes and 25.6 percent for families which rent; 24.4 percent of unattached homeowners have low incomes as opposed to 38.0 percent of those who rent.

The report also looks at the makeup of the low-income population. Among the major findings:

- * There has been a 'feminization of poverty' in the sense that women face a much higher risk of poverty than men and make up a larger percentage of the poor. More than half (56.1 percent) of all low-income Canadians are female; 56.4 percent of low-income persons between the ages of 16 and 64 are women; 71.7 percent of the elderly poor are women; women constitute the overwhelming majority (82.3 percent) of the unattached aged with low incomes.
- * Women comprise a larger proportion of the low-income population than of the population in general. In 1986 women represented 56.1 percent of low-income Canadians and 50.8 percent of all persons in this country. They accounted for 71.7 percent of the elderly poor as opposed to 57.3 percent of all the aged.
- * The feminization of family poverty is a significant long-term trend, but it has **not** increased during the 'eighties. The percentage of low-income families headed by women rose from 13.2 percent in 1961 to 35.4 percent in 1980; however the percentage has not increased any further since - in fact it was slightly lower in 1986 (35.1 percent) than at the beginning of the decade. Most low-income families (64.9 percent) are still headed by men.
- * There has been no further feminization of poverty among the unattached. Women have always accounted for the majority of unattached individuals with low incomes and their share in 1986 (61.6 percent) was little changed from 1961 (62.0 percent).
- * Young people make up a rising proportion of the poverty population, while the opposite is the case for the elderly. The percentage of low-income families led by under-25s doubled from 5.0 percent in 1969 to 10.3 percent in 1986, whereas the percentage of poor families with heads 65 and older declined dramatically from 29.6 percent in 1969 to 14.0 percent in 1986. In 1969, 19.6 percent of the low-income unattached were under 25 and fully 50.1 percent 65 and older; in 1986, 22.3 percent were under 25 and 34.2 percent 65 or older.

- * Poor families which rely on government transfer payments (such as old age pensions, unemployment insurance and social assistance) for the major part of their income rose from 43.0 percent in 1969 to 55.5 percent in 1986, with a corresponding decline in the proportion that count employment earnings as their chief source of income (from 50.9 percent in 1969 to 37.8 percent in 1986). However the proportion of unattached poor who get most of their income from government transfers changed little between 1969 (57.8 percent) and 1986 (58.1 percent).
- * More than half of all families (53.4 percent) now have no children; only one-third (36.7 percent) of poor families are childless.
- * The shares of families and singles have changed significantly over the years. Unattached Canadians now make up a larger percentage of both the low-income and general populations. However the unattached figure more prominently among the poor: 53.6 percent of low-income family units are unattached compared to only 29.3 percent of all family units.

The income trends are similar to the poverty trends. Average incomes increased significantly during the 'seventies, fell in the early 'eighties and improved in 1985 and 1986:

- * Expressed in 1986 dollars, average family income went from \$29,772 in 1969 to \$40,356 in 1986 - a substantial one-third (35.6 percent) real increase over 17 years.
- * Families led by men have enjoyed somewhat larger income increases than families headed by women. The average income of male-led families rose by 38 percent from 1969 (\$30,739) to 1986 (\$42,450), whereas the average income of female-led families went up by 33 percent over the same period (from \$17,876 in 1969 to \$23,774 in 1986). The income gap between men and women who head families has not decreased over the years; the average income of female-headed families was 58 percent of that of male-led families in 1969 and only 55 percent in 1986.
- * The trends are different for the unattached. Unattached women saw a 43 percent real increase in their average income from 1969 to 1986, compared to only 27 percent for unattached men. The average income of unattached women as a percentage of that of unattached men rose from 69 percent in 1969 to 77 percent in 1986.

- * Two-parent families averaged \$44,919 in 1986 - two-and-a-half times the \$17,353 average income of single-parent families headed by women.
- * Single-parent families headed by women who work have low average incomes (\$19,027 in 1986), but they fare far better than those who are not in the paid labor force (\$10,140). Most of the latter are on welfare.
- * Young families' average income was little better in 1986 (\$23,410) than in 1969 (\$23,002) and in fact over \$5,600 less than in 1980 (\$29,018). By contrast, the average income of elderly families increased by a hefty 57 percent between 1969 (\$18,309) and 1986 (\$28,732).
- * The income gap between poor and affluent families has not narrowed over the years. In 1986 families in the top income group averaged \$79,501 - six times the \$12,712 average of families in the lowest category.
- * The income gap between poor and well-off unattached individuals has decreased over time, though it is still very wide. In 1969 affluent unattached Canadians averaged 12 times the income of the low-income unattached. In 1986 those in the top group averaged \$39,224 or eight times the bottom group's \$4,651.
- * Average family income in 1986 ranged widely from \$29,446 in Newfoundland to \$45,078 in Ontario. By contrast, Newfoundland families ranked highest in average transfer payments from government (\$7,236 in 1986) while Ontario families came last (\$3,530).
- * Newfoundland has the lowest average income for unattached individuals (\$11,844 in 1986) while British Columbia comes first (\$18,948), followed closely by Ontario (\$18,894).
- * Average income is clearly linked to the number of earners in the family. Families with only one earner averaged \$31,975 in 1986; those with two earners, \$44,802; those with three or more earners, \$59,733.

Women have fared better in terms of earnings trends, though there is still a wide gap between the sexes:

- * Women's average earnings went from \$8,902 in 1967 to \$13,431 in 1986 - a sizable 50.9 percent real increase. Men's average earnings rose from \$19,309 in 1967 to \$23,446 in 1986 - a 21.4 percent real increase. The ratio of female to male earnings rose from 46.1 percent in 1967 to 57.3 percent in 1986.
- * Women who work full-time year-round averaged \$19,874 in 1986 - 66.0 percent of the \$30,131 for full-time male workers. Women employed part-time averaged \$7,277 or 73.6 percent of men's \$9,883.

Income is distributed in a very unequal manner and there has been little progress in reducing the gap between the rich and the poor. However, social programs and the income tax system have prevented the income gulf from widening even further:

- * Families in the top income group have 39.4 percent of total money income - six times the poor group's 6.3 percent share. The gap is even wider for unattached individuals: those in the highest category have 44.7 percent of all money income or eight times the bottom group's 5.3 percent share.
- * In 1951 poor families got 6.1 percent of family income; in 1986 their share was virtually unchanged at 6.3 percent. Families in the top group saw a modest decline in their share of family income from 41.1 percent in 1951 to 39.4 percent in 1986.
- * The distribution of income among unattached Canadians is less extreme today than in the past. Those at the bottom of the income ladder have improved their share somewhat from 2.7 percent in 1951 to 5.3 percent in 1986, whereas the unattached at the top got 46.6 percent in 1951 and 44.7 percent in 1986.

- * The gap between rich and poor would be even wider were it not for income transfer programs and income taxes. In 1985 families in the lowest income group got only 2.5 percent of income before taxes and transfers, whereas those in the top group received 42.9 percent of total market income. Income transfers such as the Canada and Quebec Pension Plans, family allowances, unemployment insurance and workers' compensation brought low-income families' share up to 6.3 percent and affluent families' share down to 39.4 percent. Once federal and provincial income taxes are factored in, poor families' share of income increased to 7.2 percent whereas families in the top income group decreased to 37.3 percent.
- * Unattached individuals in the lowest income group got a mere 0.1 percent of income before taxes and transfers, whereas those in the top category enjoyed 54.0 percent of the total. However, social programs and income taxes increased the poor group's share to 6.1 percent and reduced the affluent group's share to 42.0 percent in 1985, the most recent year for which data is available.
- * The recession of the early 'eighties widened the gap between rich and poor as measured by income shares from the marketplace. Families in the bottom group saw their share of income before transfers decline from 3.3 percent in 1981 to 2.2 percent in 1984, whereas those in the highest group increased their share from 40.8 percent in 1981 to 43.2 percent in 1984. However government intervention into the economy through social programs and income taxes mitigated the growing income inequality caused by high unemployment, so that after-tax income shares changed little between 1981 and 1985.

APPENDIX

STATISTICS CANADA REVISED LOW INCOME CUT-OFFS

Family Size	Community Size				Rural
	500,000 and over	100,000 - 499,999	30,000 - 99,999	Less Than 30,000	
1986					
1	10,651	10,116	9,490	8,774	7,877
2	14,053	13,339	12,445	11,546	10,295
3	18,799	17,815	16,650	15,488	13,785
4	21,663	20,588	19,246	17,903	15,936
5	25,243	23,902	22,290	20,768	18,531
6	27,571	26,049	24,349	22,647	20,231
7 or more	30,347	28,735	26,856	24,975	22,290
1987					
1	11,120	10,561	9,908	9,160	8,224
2	14,671	13,926	12,993	12,054	10,748
3	19,626	18,599	17,383	16,169	14,392
4	22,616	21,494	20,093	18,691	16,637
5	26,354	24,954	23,271	21,682	19,346
6	28,784	27,195	25,420	23,643	21,121
7 or more	31,682	29,999	28,038	26,074	23,271
1988*					
1	11,564	10,984	10,304	9,526	8,553
2	15,258	14,483	13,512	12,536	11,178
3	20,411	19,343	18,078	16,816	14,967
4	23,521	22,354	20,897	19,438	17,303
5	27,408	25,952	24,202	22,549	20,120
6	29,935	28,283	26,437	24,589	21,966
7 or more	32,950	31,199	29,159	27,117	24,202

* Estimates by National Council of Welfare.

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Reports by the National Council of Welfare deal with a wide range of issues on poverty and social policy in Canada, including: income security programs, medicare, poverty lines and poverty statistics, the retirement income system, the aged, tax reform, the working poor, children in poverty, community economic development, women and poverty, employment policy, single-parent families, social services, nutrition, community organizing, child welfare, poor people's groups, legal aid/legal services, low-income consumers, poverty coverage in the press and welfare reform.

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Publicat



Poverty Profile, 1980 - 1990

A Report by the
National Council of Welfare

Autumn 1992

POVERTY PROFILE, 1980-1990

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Copies of this publication may be obtained from:

National Council of Welfare

Jeanne Mance Building

Ottawa K1A 0K9

(613) 957-2961

Également disponible en français sous le titre:

Profil de la pauvreté, 1980 à 1990

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Cat. No. H67-1/4-1990E

ISBN 0-662-20095-0

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INTRODUCTION

Poverty Profile, 1980-1990 is the latest in a series of reports by the National Council of Welfare on poverty in Canada. It includes numerous national statistics for 1990 and poverty trends from 1980 through 1990. In some cases, there is detailed information for individual provinces as well.

This report is the first of its kind to include information about the depth of poverty - that is, how far the incomes of poor people fall beneath the poverty line. There is information about the average incomes of poor people and their main sources of income. One chapter focuses on four groups of special concern to the National Council of Welfare: the "working poor," children, seniors and women.

This profile, like its predecessors, is an analysis of factual material collected by Statistics Canada. It shows which groups of Canadians are poor, but it does not dwell on the causes of their poverty. Sometimes the reasons for poverty are obvious - the loss of a job, the loss of a spouse or the loss of good health are among the most common. In other cases, the causes of poverty are more difficult to determine.

Similarly, this report is not a blueprint for eliminating poverty in Canada, and it contains no specific recommendations as such. Over the years, the National Council of Welfare has published many other reports full of proposals for combating poverty. Among them are Welfare in Canada: The Tangled Safety Net, Women and Poverty Revisited, Pension Reform and Fighting Child Poverty.

Finally, the data on poverty gathered by Statistics Canada provide only a snapshot of poverty in any given year. They do not tell us how many people may find themselves living in poverty at some time in their lives, and they do not indicate how long poor people are likely to remain poor. There is relatively little reliable information on the duration of poverty in Canada, but a recent study by the Economic Council of Canada estimated that as many as one of every three Canadians will be poor sometime during their working lives and that poverty can be either transitory or persistent depending on individual circumstances.¹

Despite all these limitations, the National Council of Welfare believes that Poverty Profile, 1980-1990 will shed additional light on a subject that should be close to the hearts of Canadians. Nearly one of every seven Canadians was poor at last count, and many more have personal knowledge of poverty because of the hardships facing friends, neighbours or relatives who were poor.

Unfortunately, myths and stereotypes about poverty and poor people are deeply rooted in our society. It is our hope that this report will help dispel these misconceptions and bring policy-makers and ordinary Canadians alike to a better understanding of the men, women and children who live on the lowest rungs of the economic ladder - often for reasons well beyond their control.

METHODOLOGY AND DEFINITIONS

Every year, Statistics Canada conducts a household survey known as the Survey of Consumer Finances to obtain information on the distribution of income and the nature and extent of poverty in Canada. The survey on which this report is based, conducted in April of 1991, sampled 42,986 private households from all parts of the country except for Yukon, the Northwest Territories, Indian reserves, and institutions such as prisons, mental hospitals, and homes for the elderly. The study looked at incomes for the 1990 calendar year.

The results of the survey were published by Statistics Canada under the title Income Distributions by Size in Canada, 1990. That publication and a companion booklet entitled Low Income Persons, 1980-1990 are major sources for this report. Statistics Canada also provided previously unpublished data to the National Council of Welfare. We are grateful for the assistance provided by officials of the bureau, especially Kevin Bishop of the Income and Housing Surveys Section. The analysis and interpretation of the data, however, is the responsibility of the National Council of Welfare, not Statistics Canada.

Information about poverty is obtained by comparing the survey data with the low income cut-offs of Statistics Canada. The cut-offs represent levels of gross income where people spend disproportionate amounts of money for food, shelter and clothing. The bureau has decided over the years - somewhat arbitrarily - that 20 percentage points is a reasonable measure of the additional burden. The average Canadian family spent 36.2 percent of gross income on food, shelter and clothing according to the most recent data on spending patterns, so it was assumed that low-income Canadians spent 56.2 percent or more on the necessities of life.

The low income cut-offs vary by the size of the family unit and the population of the area of residence. There are seven categories of family size, from one person to seven or more persons, and five community sizes ranging from rural areas to cities with 500,000 or more residents. The result is a set of 35 cut-offs. The cut-offs are updated annually by Statistics Canada using the Consumer Price Index.

The cut-offs used in this report for the year 1990 are technically known as the 1986 base cut-offs, because of the year in which spending on food, shelter and clothing was last surveyed.

The entire set of 35 cut-offs for 1990 appears below as Table 1. Comparable cut-offs for 1991 and the National Council of Welfare's estimates of the cut-offs for 1992 appear in the appendix of this report.

TABLE 1
STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1990

Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$ 14,155	\$ 12,433	\$ 12,146	\$ 11,072	\$ 9,637
2	19,187	16,854	16,464	15,008	13,064
3	24,389	21,421	20,926	19,076	16,605
4	28,081	24,662	24,094	21,964	19,117
5	30,680	26,946	26,324	23,997	20,887
6	33,303	29,248	28,573	26,047	22,672
7+	35,818	31,460	30,734	28,017	24,385

Previous editions of Poverty Profile used 1978 base low income cut-offs, which were based on spending patterns from 1978. Readers are cautioned that the statistics in this report using the 1986 base cut-offs differ slightly from reports using the 1978 base cut-offs.²

The National Council of Welfare, like many other social policy groups, regards the low income cut-offs as poverty lines and uses the term poor and low-income interchangeably. Statistics Canada takes pains to avoid references to poverty. It says the cut-offs have no official status, and it does not promote their use as poverty lines.

Regardless of the terminology, the cut-offs are a useful tool for defining and analyzing the significantly large portion of the Canadian population with low incomes. They are not the

only measures of poverty used in Canada, but they are the most widely accepted and are roughly comparable to most alternative measures.

Poverty statistics are often broken down according to families and unattached individuals. The survey which gathered the data defined a family as "a group of individuals sharing a common dwelling unit and related by blood, marriage or adoption." Most of the data in this report is expressed in terms of families rather than the number of people in family units. An unattached individual is defined as a "person living alone or in a household where he/she is not related to other household members."

A poor or low-income family has an income below the poverty line, while a "non-poor" family has an income above the poverty line. The same applies for unattached individuals.

Poverty rates compare the number of poor persons, families or unattached individuals in a particular category to all the persons, families or unattached individuals in the same category. For example, there were an estimated 255,000 poor families with children under 18 headed by a female single parent under age 65 in 1990. The estimated total number of families with children under 18 headed by a female single parent under 65 was 421,000. The poverty rate was 255,000 divided by 421,000 or 60.6 percent.

Sometimes, the terms incidence of poverty or risk of poverty are used instead of the poverty rate. The meaning of all three terms is the same.

Income refers to money income reported by all family members 15 years or older and includes gross wages and salaries, net income from self-employment, investment income, government transfer payments (for example, family allowances, the child tax credit, old age security, and provincial tax credits), pensions, and miscellaneous income (scholarships and child support payments, for example). The definition of income excludes gambling wins or losses, capital gains or losses, receipts from the sale of property or personal belongings, income tax refunds, loans received or repaid, lump sum settlements of insurance policies, and income in kind.

Some sections of this report refer to earnings rather than income. Earnings means gross wages and salaries and net income from self-employment.

A BIRD'S EYE VIEW, 1980-1990

Hopes for continued progress against poverty were blunted during the 'eighties by economic and financial difficulties. The recession of 1981-1982 was the worst economic downturn in half a century, and its effects lingered on for years afterward. Poverty rates peaked in 1983 and 1984 and declined slowly through 1989, only to rise again in 1990 as Canada entered another recession.

Meanwhile, governments found themselves facing huge deficits and accumulated public debts. Cutting programs to save money was a common response, and that threatened to compromise Canada's social safety nets at a time when they were sorely needed. Medicare, education, welfare, unemployment insurance, day care, programs for seniors, child benefits, and other social programs all were subjected to restraints of one kind or another. Improvements in social programs were few and far between.

Tough economic times and the reluctance of governments to spend more money to ease the pain of tough times explain in large part the very limited progress against poverty. When the decade opened, the overall individual poverty rate was 15.3 percent. In 1990, after both ups and downs, it was 14.6 percent.

This chapter shows major national trends in poverty from 1980 to 1990 using two types of measures. One looks at Canadians as individuals, the other as members of families or as unattached people living outside families.

Poverty Trends for Individual Canadians

One type of poverty statistics published by Statistics Canada gives the number of poor people and the poverty rates for people as individuals, as in Table 2 on the next page. At the beginning of the decade, the number of people living in poverty was just over 3.6 million and the poverty rate was 15.3 percent. Both the number of poor people and the poverty rate rose through 1983, declined slowly through 1989, and rose in 1990. Although the number of poor

people was higher in 1990 than in 1980, the poverty rate was slightly lower due to the growth in the population that took place during the 'eighties.

TABLE 2
POVERTY TRENDS, ALL PERSONS

	Number of Persons Living in Poverty	Poverty Rate
1980	3,624,000	15.3%
1981	3,643,000	15.3%
1982	3,951,000	16.4%
1983	4,406,000	18.2%
1984	4,397,000	18.1%
1985	4,170,000	17.0%
1986	3,976,000	16.0%
1987	3,912,000	15.6%
1988	3,744,000	14.8%
1989	3,487,000	13.6%
1990	3,821,000	14.6%

Many of the other poverty statistics during the 'eighties follow the same general pattern as the figures for all persons. Child poverty, for example, increased in the early part of the decade, as shown in Table 3 on the next page. In the peak year of 1984, well over 1.2 million children under the age of 18 were living in poverty and the child poverty rate was 19.6 percent - one of every five children was poor. The figures declined through 1989 and increased in 1990.

Additional information on child poverty by family type and child poverty statistics by province appear later in this report.

TABLE 3
POVERTY TRENDS, CHILDREN UNDER 18

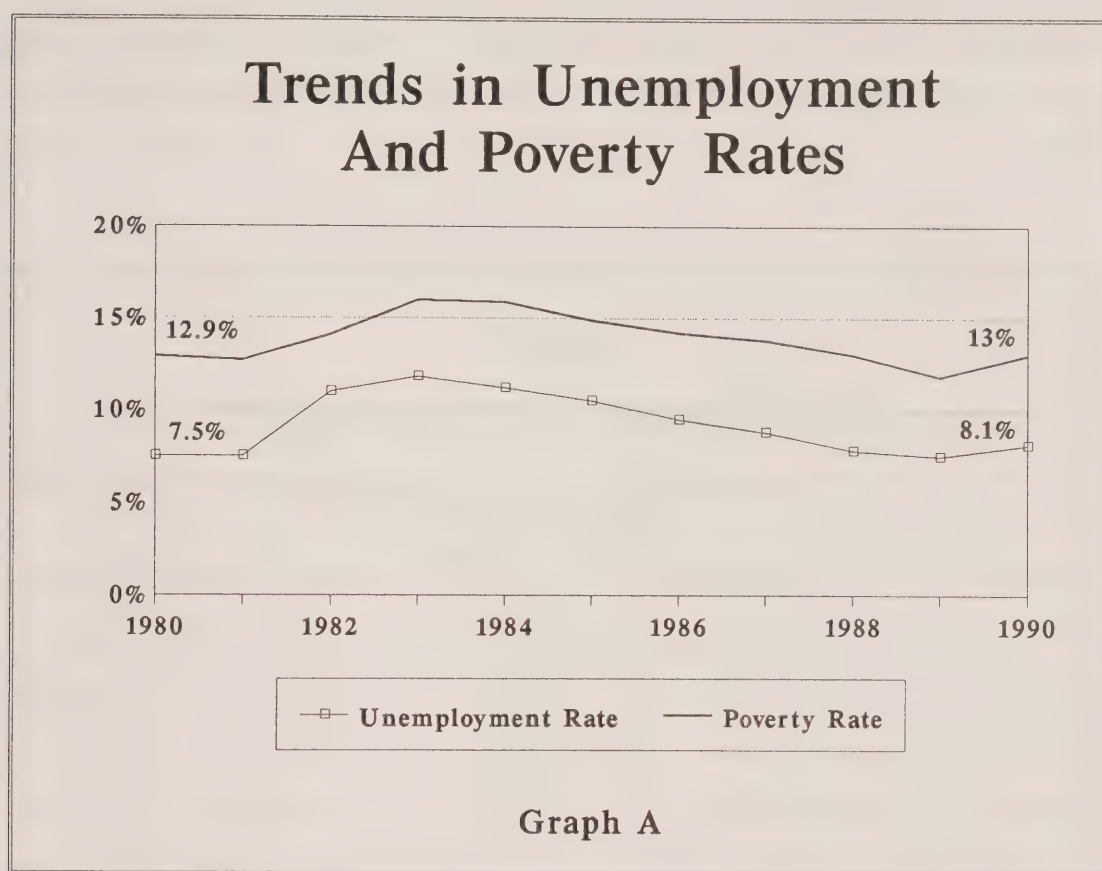
	Number of Children Under 18 Living in Poverty	Poverty Rate
1980	984,000	14.9%
1981	998,000	15.2%
1982	1,155,000	17.8%
1983	1,221,000	19.0%
1984	1,253,000	19.6%
1985	1,165,000	18.3%
1986	1,086,000	17.0%
1987	1,057,000	16.6%
1988	987,000	15.4%
1989	934,000	14.5%
1990	1,105,000	16.9%

Statistics Canada publishes figures on child poverty for children under 16 as well as children under 18, but the National Council of Welfare has decided to use the category children under 18. It is in line with the age of majority in Canada and the normal Canadian practice that young people remain at home at least until they leave high school.

Children are poor because their parents are poor, and one of the main reasons for poverty among parents is a lack of good jobs. It should come as no surprise that the poverty rates for adults under age 65 tend to move up and down with changes in the unemployment rate.

Unemployment was relatively high throughout the 'eighties, and it was pushed even higher by the recessions. Graph A plots the average annual unemployment rate for people 15 and older against the poverty rate for people between the ages of 16 and 65, the group most

likely to be in the paid labour force. As the percentage of unemployed people in the work force rose and fell, so did the percentage of adults under 65 living in poverty. In 1980, the unemployment rate was 7.5 percent and the poverty rate for people 16 to 65 was 12.9 percent. In 1990, the unemployment rate was 8.1 percent and the corresponding poverty rate was 13 percent.



One group that is largely immune from high unemployment rates is seniors, because most of them are not in the paid labour force. The poverty rates for people 65 and older are more a reflection of the health of public and private pension programs than the health of the economy.

Pensions have improved tremendously during the last generation, and this is reflected in poverty rates and numbers for the elderly that have fallen more or less steadily since the first poverty statistics were published in Canada in 1969. Most of the improvements in pension plans

that actually came into effect during the 'eighties were relatively small. Nonetheless, the pension system continued to mature. Many of the people who retired in the 'eighties were contributors to the Canada and Quebec Pension Plans from the beginning of the plans in 1966 and retired with more pension income than the previous generation of seniors. Some seniors were lucky enough to have income from occupational pension plans as well.

Overall, the number of seniors living in poverty declined from 731,000 to 554,000 between 1980 and 1990, and the poverty rate fell from 33.6 percent to 19.3 percent. Unattached seniors, especially widows, still face a very high risk of poverty, however, as we shall see later in this report.

TABLE 4
POVERTY TRENDS, PEOPLE 65 AND OLDER

	Number of Seniors Living in Poverty	Poverty Rate
1980	731,000	33.6%
1981	733,000	33.0%
1982	648,000	28.5%
1983	719,000	30.9%
1984	669,000	27.9%
1985	669,000	27.0%
1986	637,000	24.9%
1987	627,000	23.8%
1988	634,000	23.4%
1989	599,000	21.4%
1990	554,000	19.3%

Poverty Trends for Families and Unattached Individuals

The poverty statistics for persons as individuals give a good overview of poverty, but they tend to blur many significant differences. It is often more useful to look at poor Canadians in groups rather than as individuals.

Table 5 shows poverty trends for families and unattached individuals, the two main categories used in poverty statistics. What is most striking is the huge difference in poverty rates. Throughout the 'eighties, the rates for unattached people were roughly three times as high as the rates for families.

TABLE 5

POVERTY TRENDS, FAMILIES AND UNATTACHED INDIVIDUALS

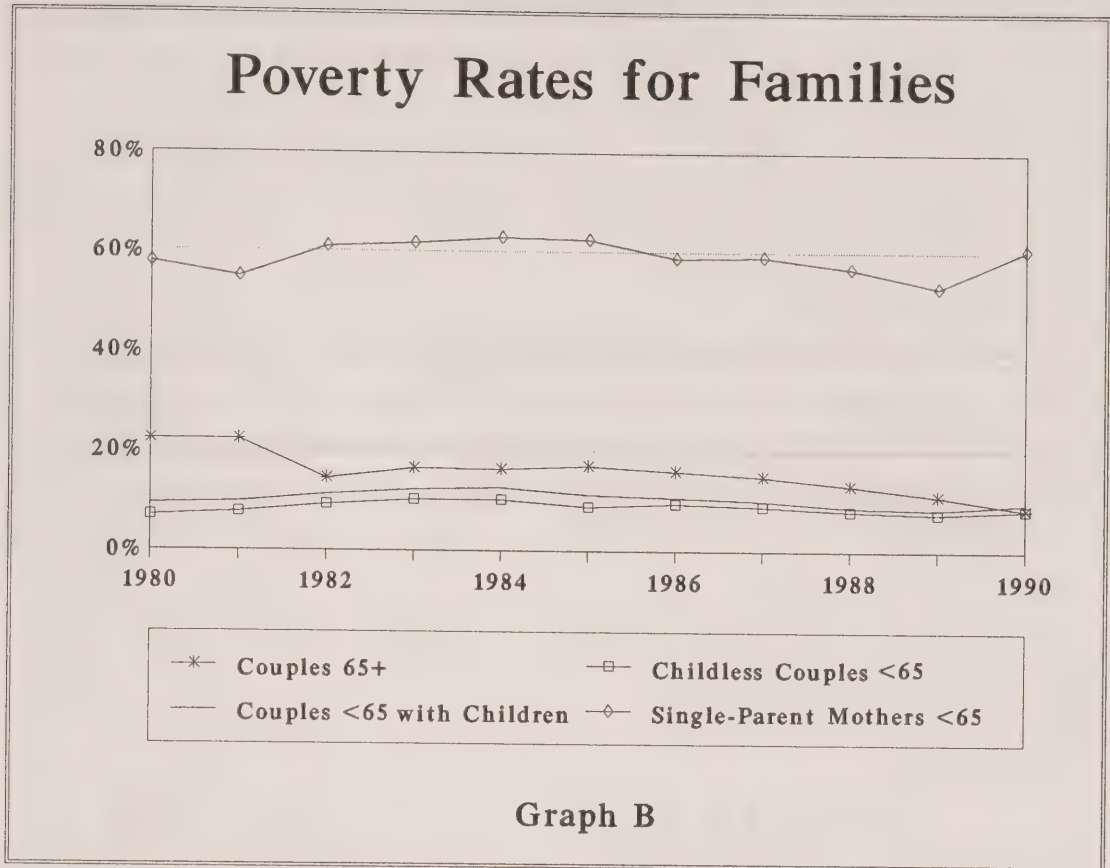
	Families		Unattached Individuals	
	Number of Poor Families	Poverty Rate	Number of Poor Unattached	Poverty Rate
1980	830,000	13.2%	1,013,000	41.4%
1981	832,000	13.0%	1,010,000	40.3%
1982	905,000	14.0%	1,034,000	40.2%
1983	1,007,000	15.3%	1,183,000	44.9%
1984	1,032,000	15.6%	1,118,000	41.3%
1985	963,000	14.3%	1,136,000	40.8%
1986	924,000	13.6%	1,112,000	38.3%
1987	895,000	13.1%	1,137,000	37.5%
1988	851,000	12.2%	1,172,000	37.7%
1989	786,000	11.1%	1,100,000	34.4%
1990	874,000	12.1%	1,123,000	34.1%

The number of poor families and the poverty rate for families went up in the aftermath of the recession of 1981-1982 and were on the rise again in 1990 as Canada entered another recession. The figures for unattached individuals also peaked following the first recession, but the downward trend in the latter part of the decade appeared stronger than the trend for families. The poverty rate for unattached individuals actually declined a bit in 1990 to 34.1 percent and was well below the comparable 1980 rate of 41.4 percent.

An even better view of poverty comes by breaking down families and unattached individuals into their major subcategories - which we call family types for want of a better term. The four subcategories of families are married couples where the head of the family is 65 and older; married couples under 65 with children under 18; married couples under 65 without children under 18; and single-parent mothers under 65 with children under 18. Altogether, these four subcategories account for 83 percent of all poor families. The other 17 percent is made up of less common family types such as married couples living with children who are all 18 or older, single-parent fathers and their children, and brothers and sisters who live together. The four subcategories of unattached individuals are unattached men under 65, unattached men 65 and older, unattached women under 65, and unattached women 65 and older. These four subcategories account for 100 percent of unattached individuals.

One reason that families have poverty rates that are consistently much lower than unattached individuals is they often have a second family member in the paid labour force. The percentage of younger married couples with both spouses in the work force has grown dramatically during the last generation, and two-earner couples now far outnumber one-earner couples. Many older families are couples where both spouses had careers outside the home and where both get pension benefits aside from the federal government's old age security pension.

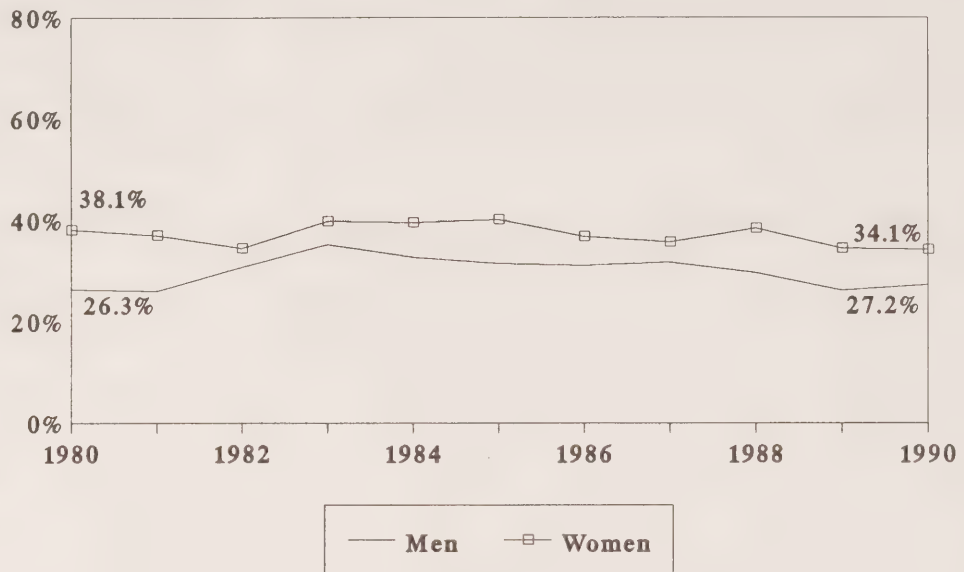
The importance of a second wage-earner or second source of pension income becomes obvious from the poverty statistics for the four subcategories of families in Graph B. The poverty rates for married couples regardless of the age of the spouses or the presence of children at home were relatively low during the 'eighties. In 1990, the poverty rate for married couples 65 and older was 8.5 percent, the rate for couples under 65 with children under 18 was 9.6 percent, and the rate for couples under 65 without children was 8.3 percent. Meanwhile, the poverty rates for families led by single-parent mothers under 65 with children under 18 were incredibly high. In 1990, 60.6 percent were poor.³



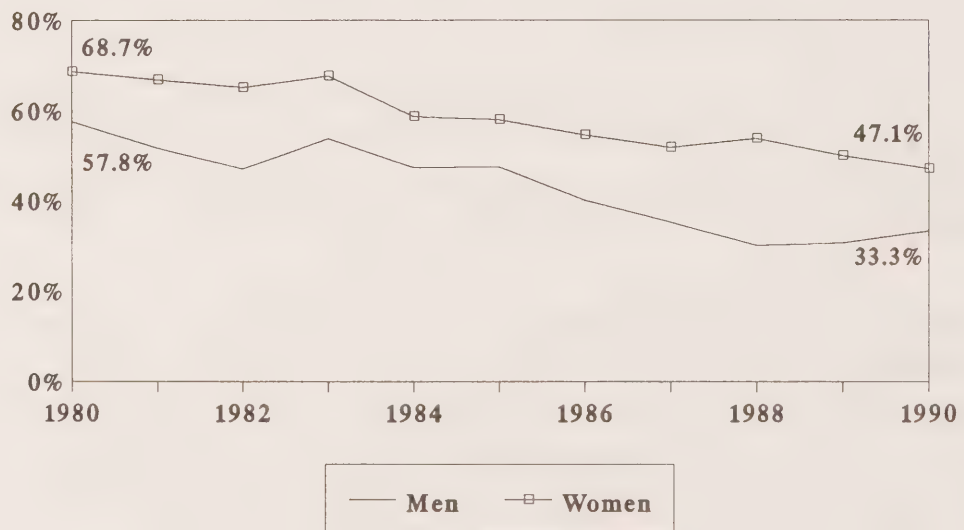
Poverty rates for unattached people vary greatly within the four subcategories based on sex and age. All four subcategories have rates that are significantly higher than the rates for married couples, although none of the recent figures is anywhere near the rate for families led by single-parent mothers.

Trends in poverty among unattached men and women under 65 and those 65 and older are shown in Graph C. In general, the poverty rates for unattached people under 65 tended to rise and fall with unemployment rates, while the rates for older unattached people fell more or less steadily during the 'eighties. In both groups, the poverty rates were noticeably higher for women than men.

Poverty Rates for Unattached People Under 65



Poverty Rates for Unattached People 65 and Older



Graph C

For unattached people under 65, the gap between the poverty rates for women and men narrowed from time to time. At the beginning of the decade, the rate for women was 38.1 percent and the rate for men 26.3 percent - a difference of nearly 12 percentage points. The gap was less than four percentage points in 1982 and 1987. In 1990, the poverty rates were 34.1 percent for women and 27.2 percent for men - a difference of nearly seven points.

Among seniors, unattached women still have a much higher risk of poverty than unattached men, even though both rates fell during the 'eighties. The rate for women went from 68.7 percent in 1980 to 47.1 percent in 1990, while the rate for men dropped from 57.8 percent to 33.3 percent. The gap between the sexes was 10.8 percentage points in 1980 and 13.8 points in 1990. The smallest gap was 10.4 percentage points in 1985 and the largest was 23.9 points in 1988.

VIEW FROM THE PROVINCES

Unemployment rates, the adequacy of pension programs, and family type are major determinants of poverty in all parts of Canada, but there are important differences from province to province. Table 6 gives the 1990 provincial poverty statistics for families, unattached individuals, and all persons. Even a quick glance at the table is enough to see substantial variations. For families, the poverty rates ranged from a low of 9.8 percent in Ontario to a high of 14.5 percent in Quebec. The range for unattached individuals was even greater, from 27.6 percent in Nova Scotia to 44 percent in Quebec. Poverty rates for all persons went from 11.7 percent in Ontario to 18 percent in Quebec.

TABLE 6
POVERTY BY PROVINCE, 1990

	Families		Unattached Individuals		All Persons	
	Number of Poor Families	Poverty Rate	Number of Poor Unattached	Poverty Rate	Number of Poor Persons	Poverty Rate
Newfoundland	21,000	14.3%	13,000	38.9%	88,000	15.6%
Prince Edward Island	3,000	10.2%	5,000	31.9%	16,000	12.5%
Nova Scotia	29,000	12.0%	28,000	27.6%	115,000	13.4%
New Brunswick	25,000	12.7%	23,000	34.6%	101,000	14.3%
Quebec	269,000	14.5%	403,000	44.0%	1,200,000	18.0%
Ontario	263,000	9.8%	326,000	28.5%	1,132,000	11.7%
Manitoba	40,000	14.4%	47,000	35.7%	183,000	17.8%
Saskatchewan	36,000	14.0%	34,000	29.3%	157,000	16.6%
Alberta	86,000	12.9%	101,000	32.6%	375,000	15.4%
British Columbia	102,000	11.9%	143,000	31.0%	454,000	14.6%
Canada	874,000	12.1%	1,123,000	34.1%	3,821,000	14.6%

Provincial poverty statistics tend to fall into three general groupings. Four or five provinces have poverty rates reasonably close to the national average, two or three have rates much lower than average, and the rest have rates well above average. Among the rates for all persons in 1990, for example, Prince Edward Island and Ontario were noticeably lower than average. Newfoundland, Nova Scotia, New Brunswick, Alberta and British Columbia were within about one percentage point of the national average. Quebec, Manitoba and Saskatchewan had rates that were noticeably higher.

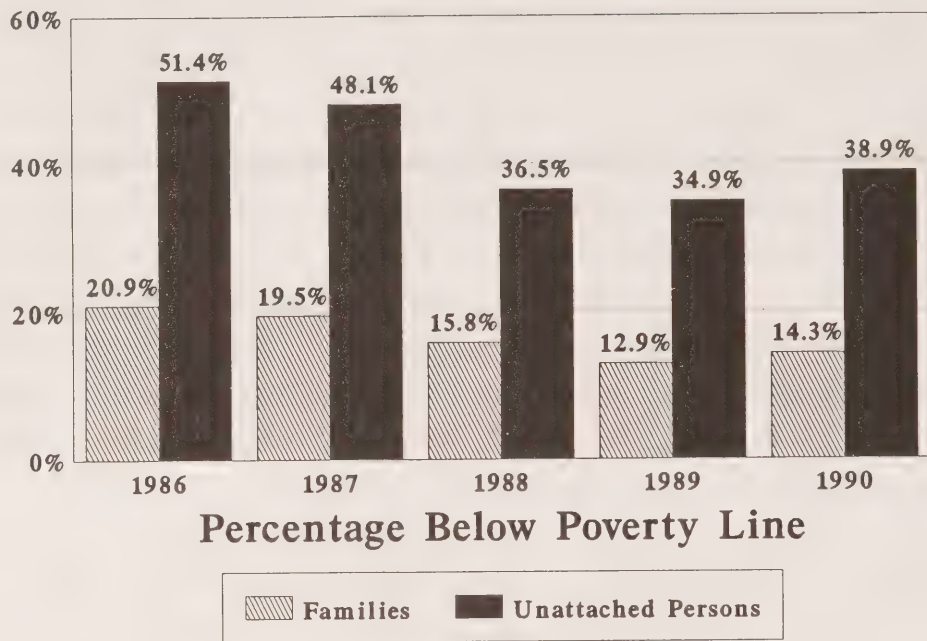
The next ten pages of this chapter are graphs with detailed information on poverty by province. The top half of each page gives the poverty rates for families and unattached individuals from 1986 through 1990. As with the national statistics, the rates for unattached persons are invariably much higher than the rates for families.

The bottom half of each page plots provincial poverty rates for all persons from 1980 to 1990. The heavy line marked with dots and accompanied by percentages shows provincial poverty rates. For purposes of comparison, each graph includes a second line showing the poverty rates for Canada as a whole. The percentages were omitted from this line to avoid confusion in cases where the two lines are close together.

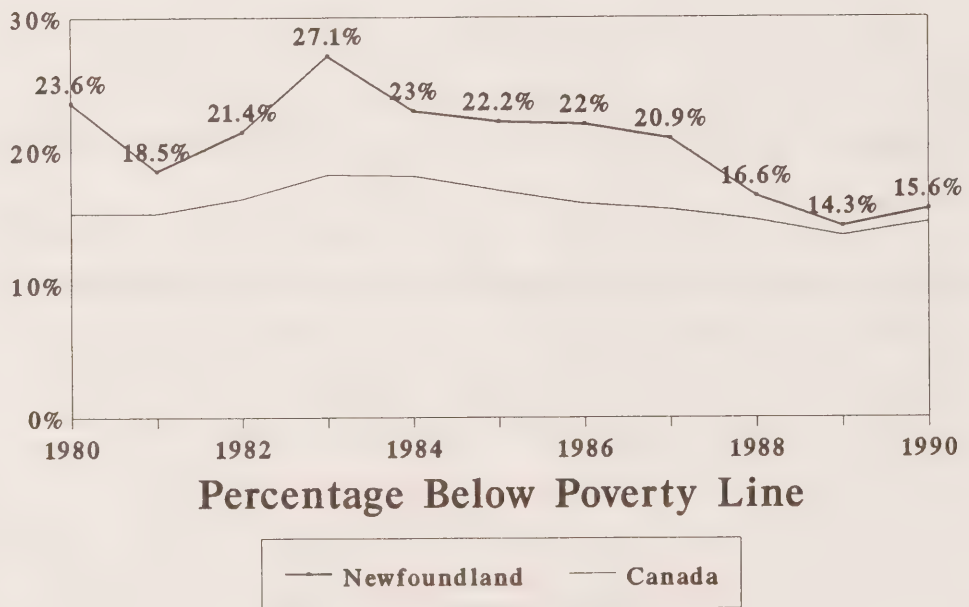
The most consistent trends appear in the two largest provinces. Ontario's poverty rates for all persons were among the lowest in Canada and were well below the national average throughout the 'eighties. Quebec's rates were among the highest and well above average.

Trends in three other provinces are also worthy of special mention. In both Newfoundland and New Brunswick, poverty rates for all persons were higher than average in the early 'eighties. By the end of the decade, they had fallen to near average. Conversely, poverty rates in Alberta were well below average in the early 'eighties. They rose dramatically in 1983 and were near average or above average in the years that followed.

Newfoundland

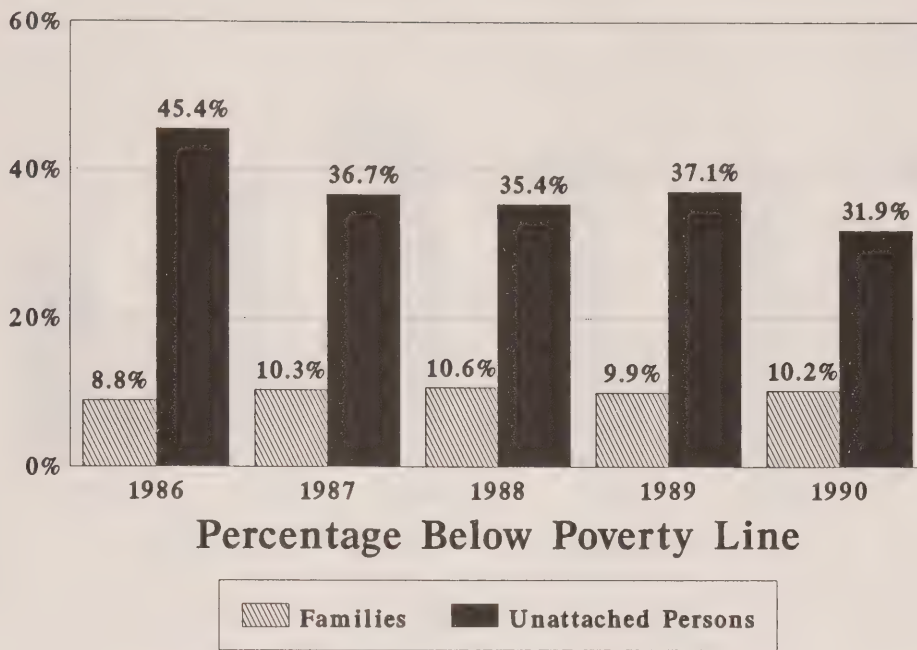


Trends for All Persons

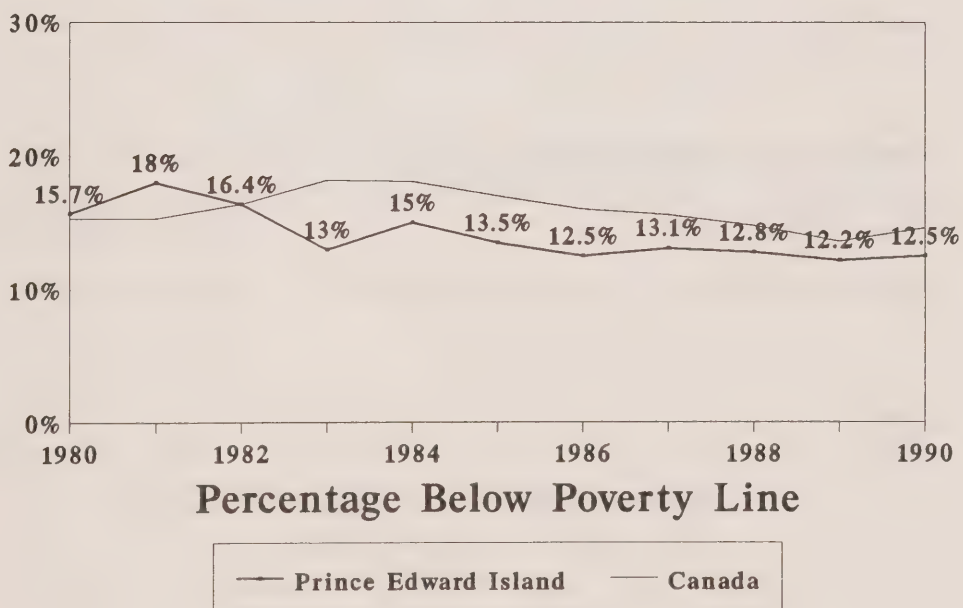


Graph D

Prince Edward Island

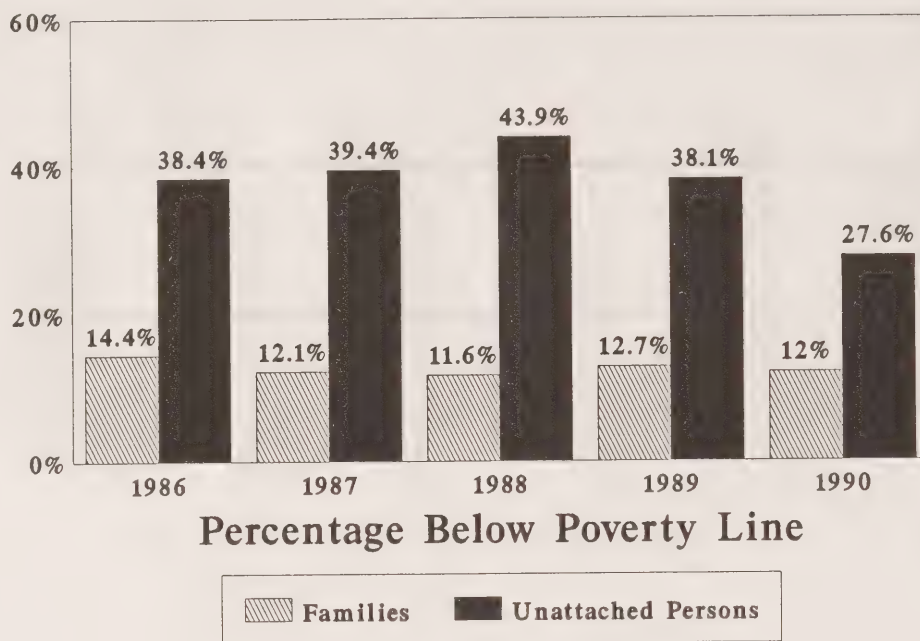


Trends for All Persons

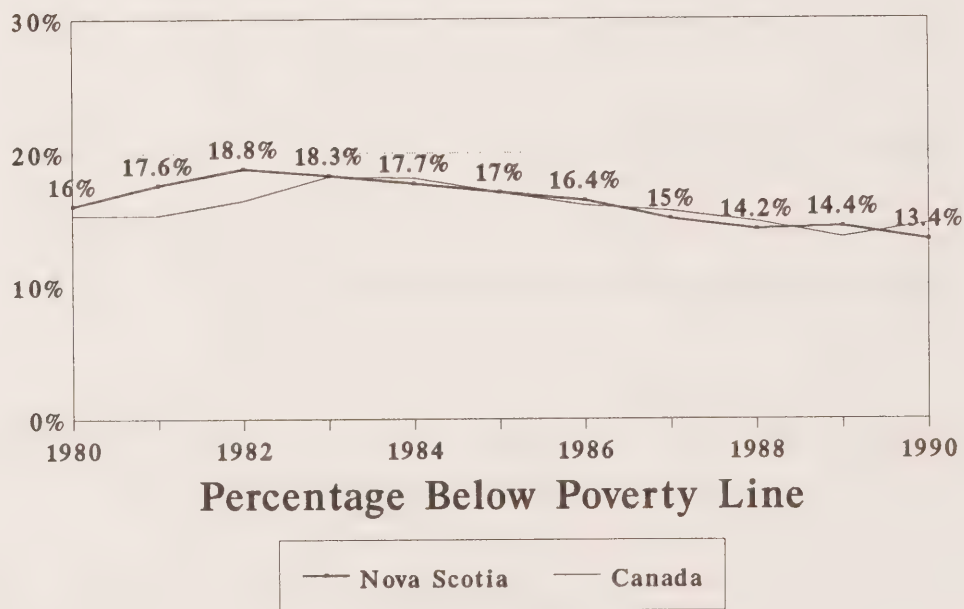


Graph E

Nova Scotia

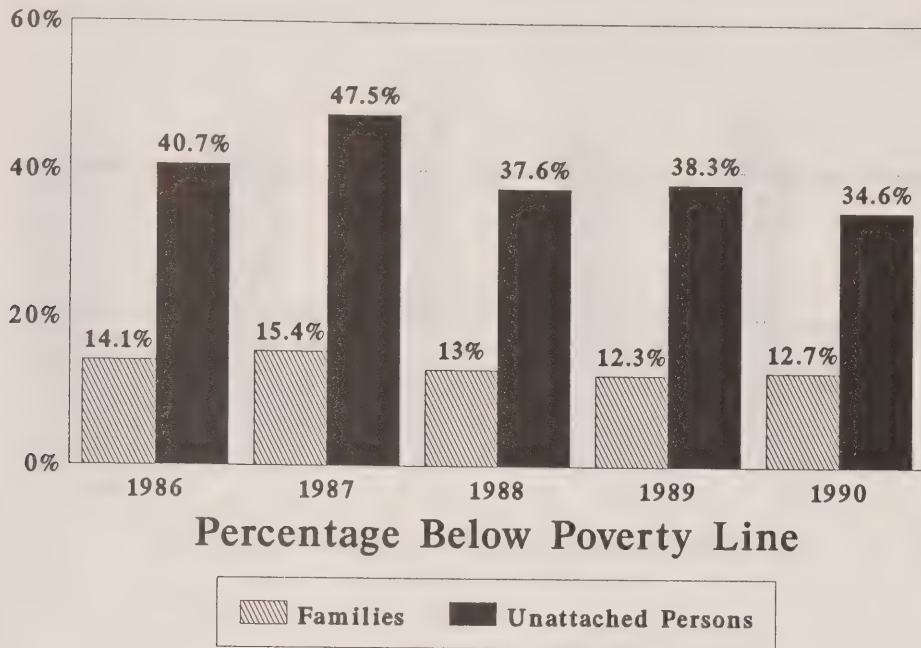


Trends for All Persons

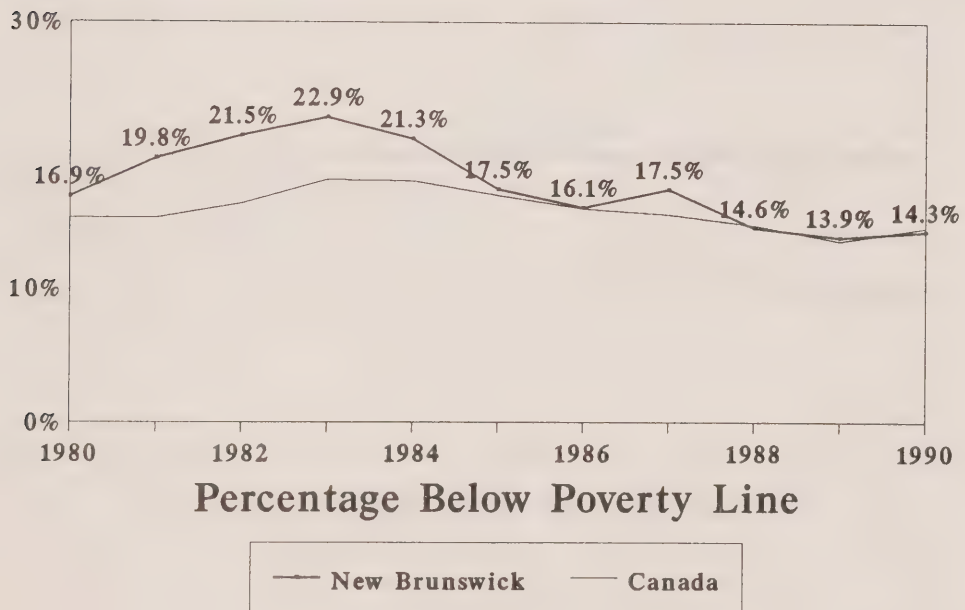


Graph F

New Brunswick

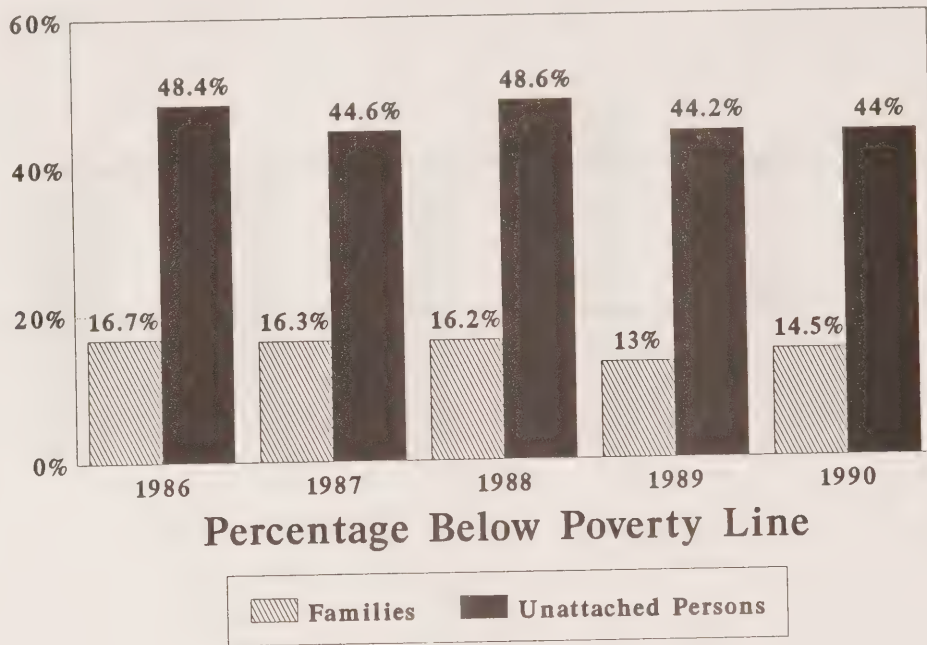


Trends for All Persons

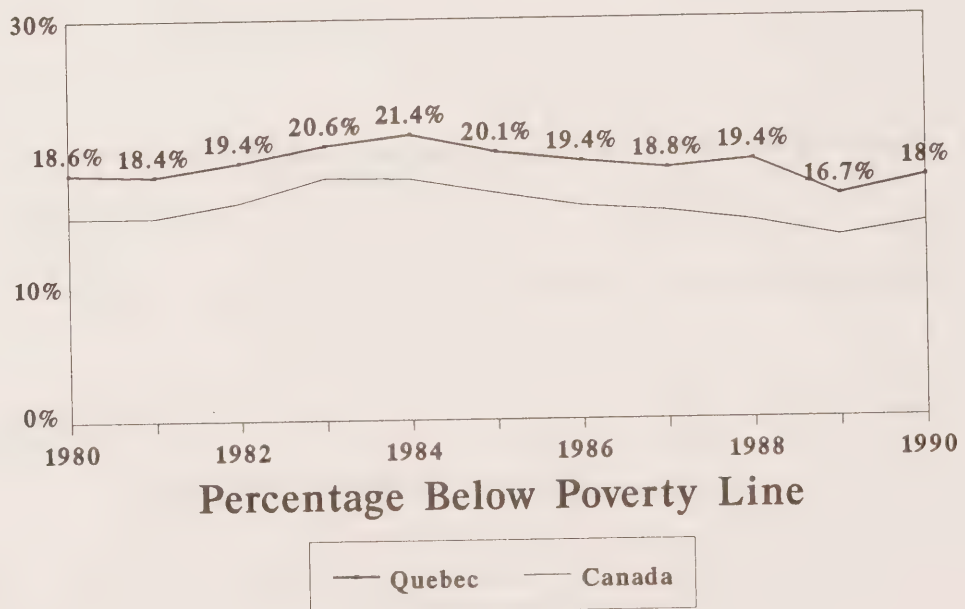


Graph G

Quebec

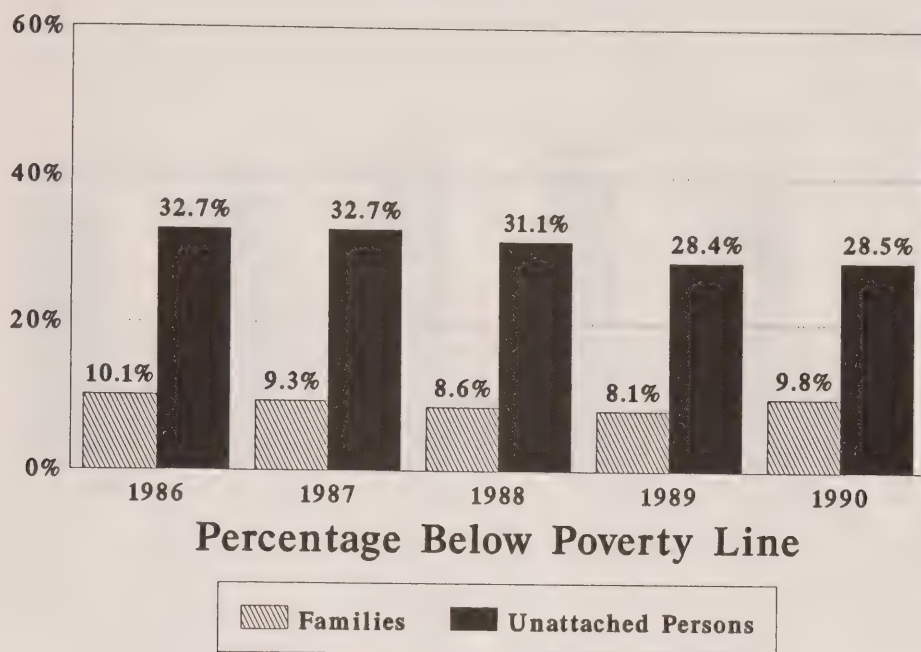


Trends for All Persons

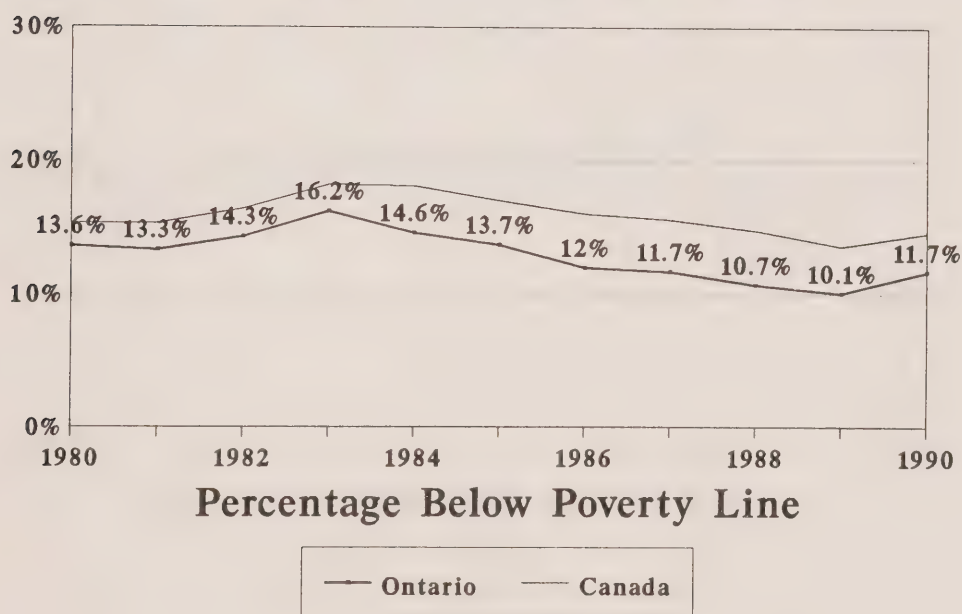


Graph H

Ontario

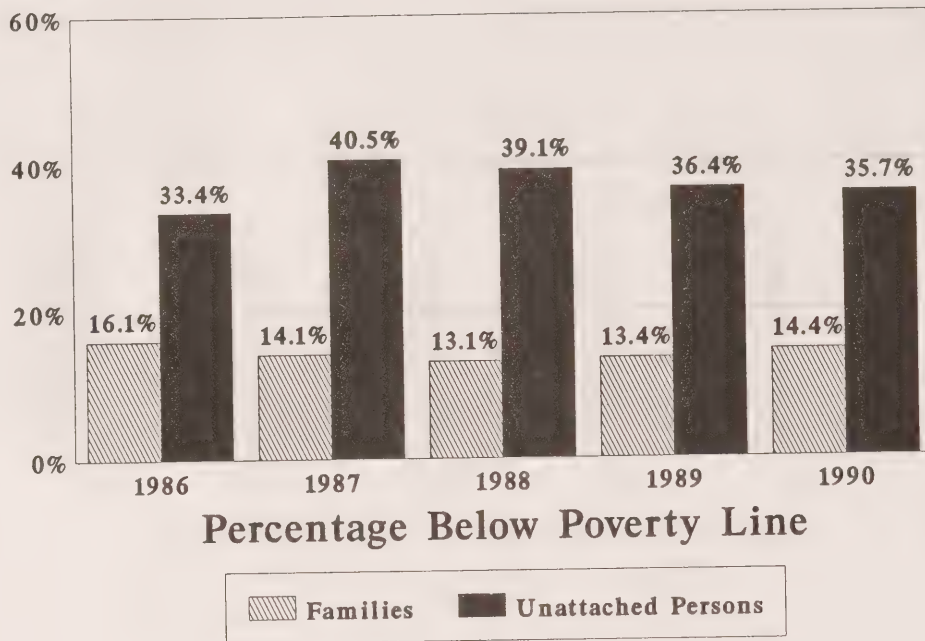


Trends for All Persons

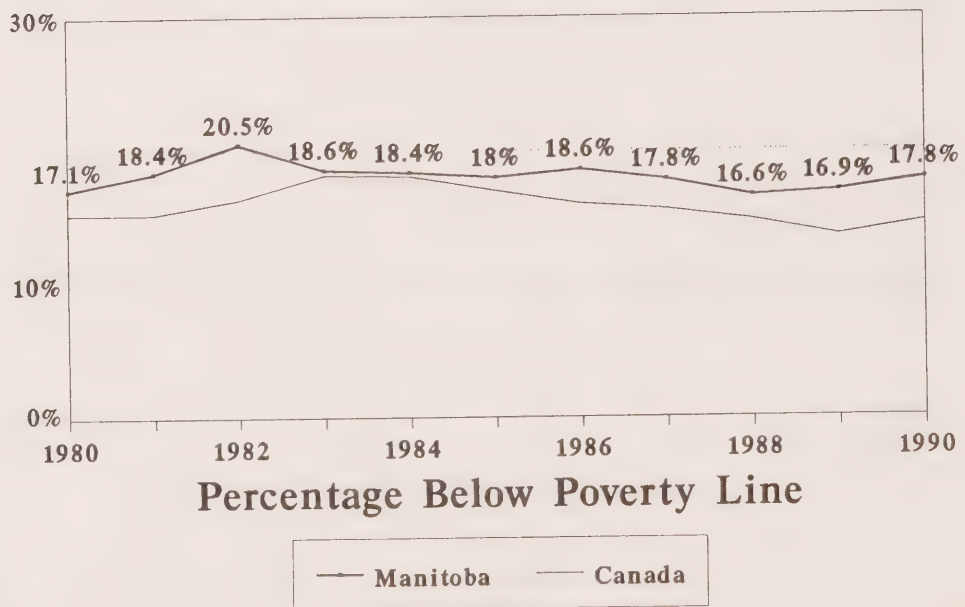


Graph I

Manitoba

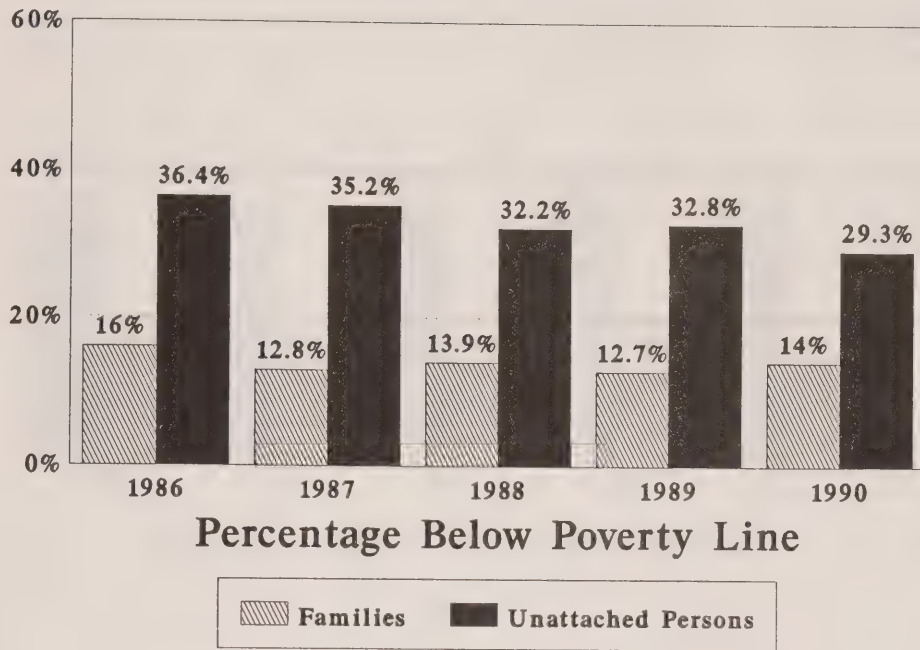


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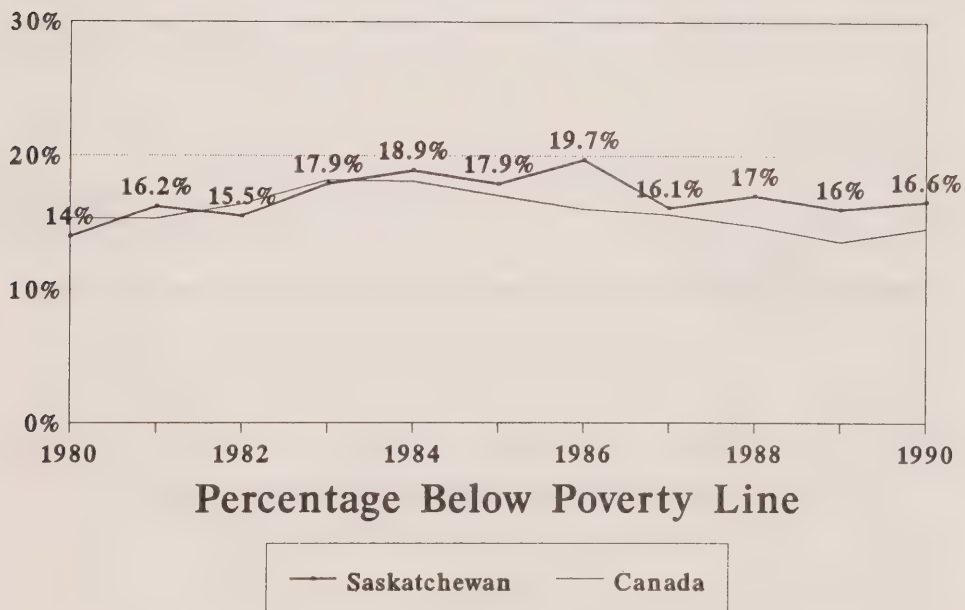


Graph J

Saskatchewan

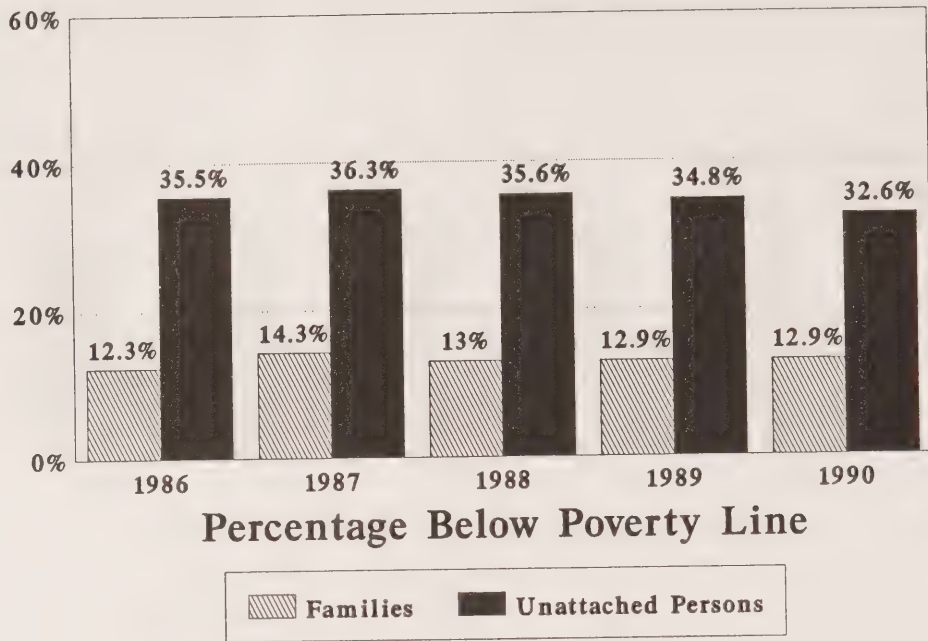


Trends for All Persons

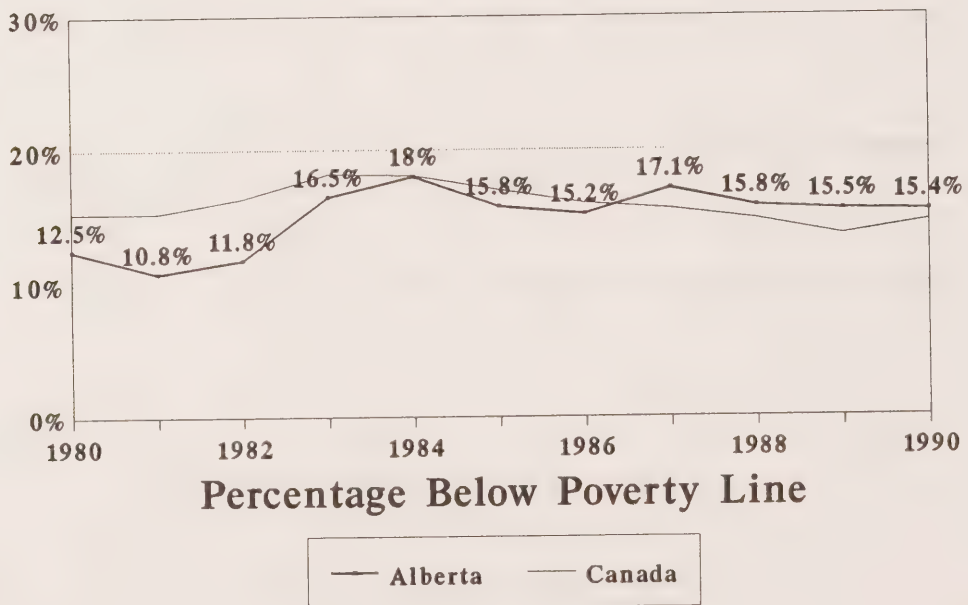


Graph K

Alberta

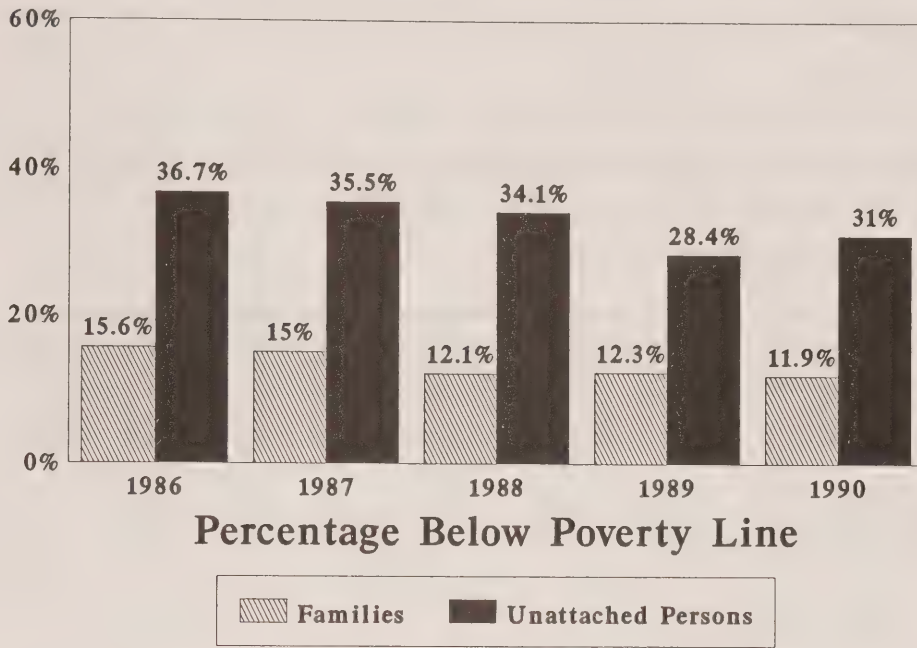


Trends for All Persons

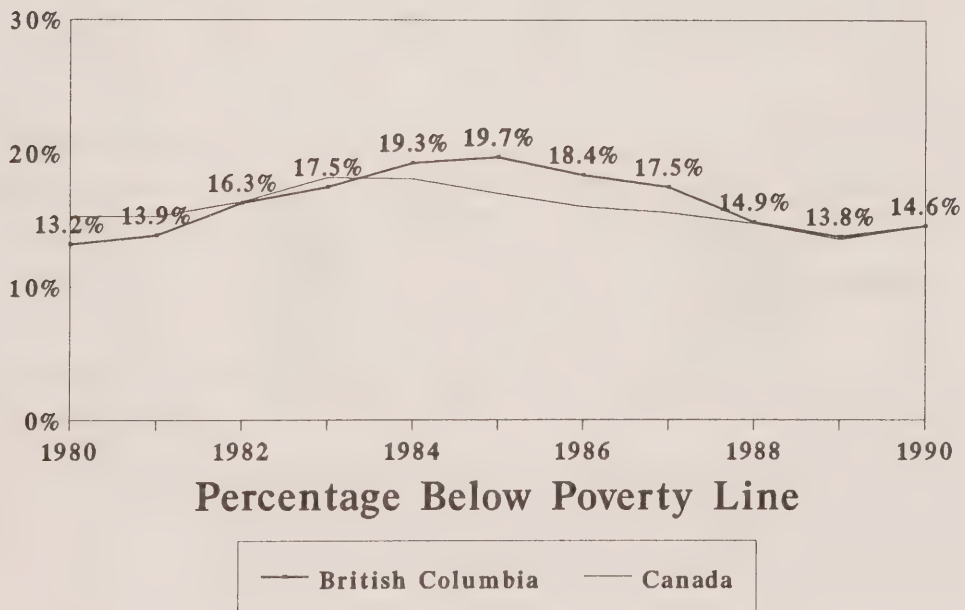


Graph L

British Columbia



Trends for All Persons



Graph M

SNAPSHOTS OF POVERTY IN 1990

There were no surprises in 1990 in the categories used most commonly to describe poverty in detail. The same risk factors seen time and time again during the 'eighties were seen again in 1990. Groups with high poverty rates in the recent past had high poverty rates in 1990, and groups with low rates were low once again.

Poverty rates vary according to family type, age, sex, employment, education, housing and population of area of residence. Among families with children, they vary with the number and age of the children. Among immigrants, there are important differences based on the length of time in Canada.

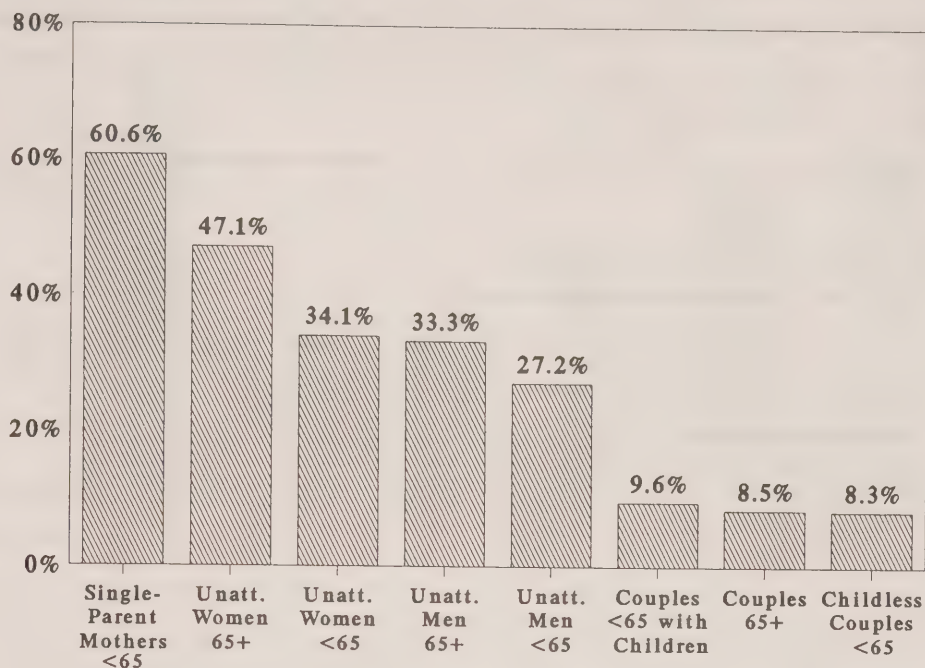
Family Type, Sex and Age

Probably the most important overall determinant of the risk of poverty is family type. As we described earlier, family type refers to eight subcategories of families and unattached individuals that take account of age and sex as well as family circumstances.

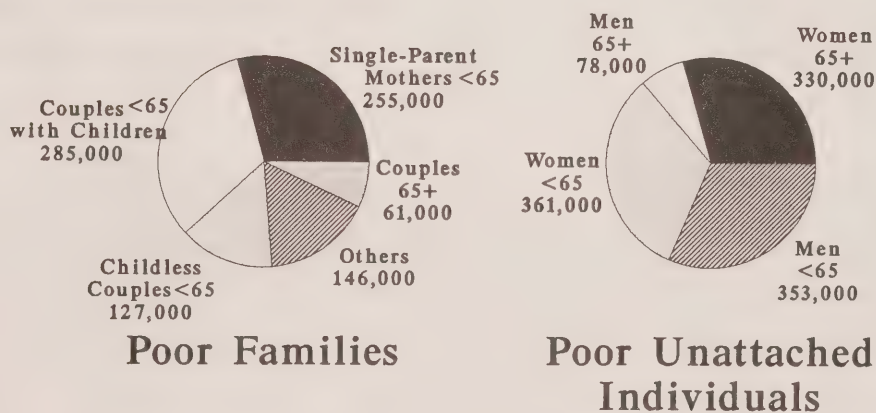
The top half of the graph on the next page arranges the eight family types by poverty rates, with the highest at the left and the lowest at the right. The group with the highest poverty rate was single-parent mothers under 65 with children under 18. The next four bars represent unattached individuals by sex and age. The three types of husband-wife families had relatively low poverty rates.

The pie graphs on the bottom half of the page show the number of families or unattached individuals by family type as a proportion of all poor families or unattached individuals. Among poor families, the two largest groups were couples under 65 with children under 18 and single-parent mothers under 65 with children under 18. Although the number of poor husband-wife families with children was larger, the difference was not that great.

Poverty Rates by Family Type, 1990



Distribution of Poor Families And Unattached Individuals, 1990



Graph N

Among poor unattached individuals, the most revealing comparison is between elderly men and women. Poor unattached women 65 and older outnumbered poor unattached men 65 and older by a margin of more than four to one. The number of poor unattached men and women under 65 was virtually the same.

Additional Differences by Age and Sex

There are important differences in poverty rates by age and also by age and sex, as shown in Graph O on the next page.

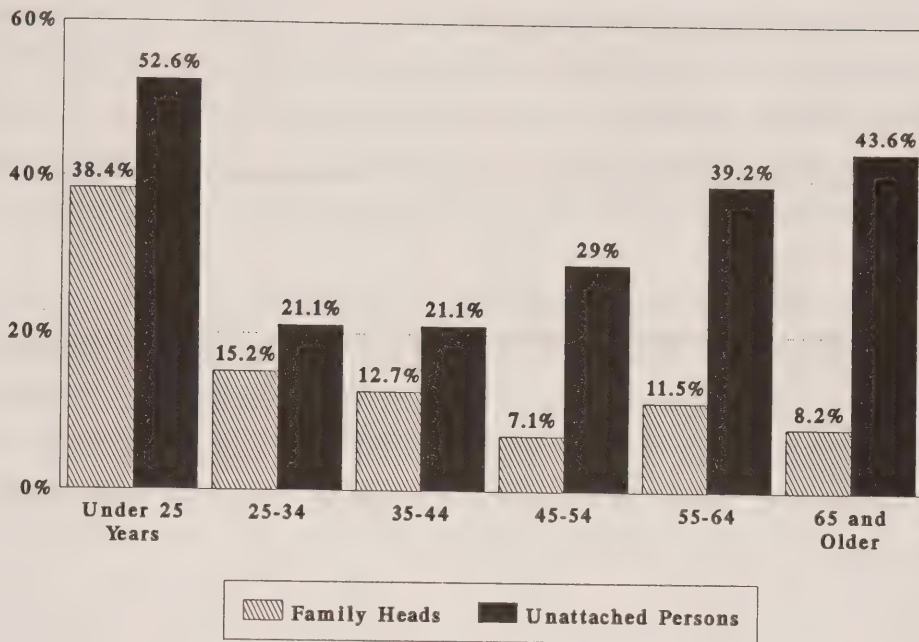
The top half of the graph gives the poverty rates for families and unattached individuals by age group. Families with heads under age 25 had the highest poverty rates, and rates for families with older heads were generally low. Among unattached individuals, the poverty rates were the highest for people under 25 and the lowest for people between 25 and 44. Starting at age 45, the rates began climbing and reached 43.6 percent for unattached seniors.

The high poverty rates for young families and unattached individuals reflect the high unemployment rates facing young people and the fact that people generally earn less when they first enter the paid labour force.

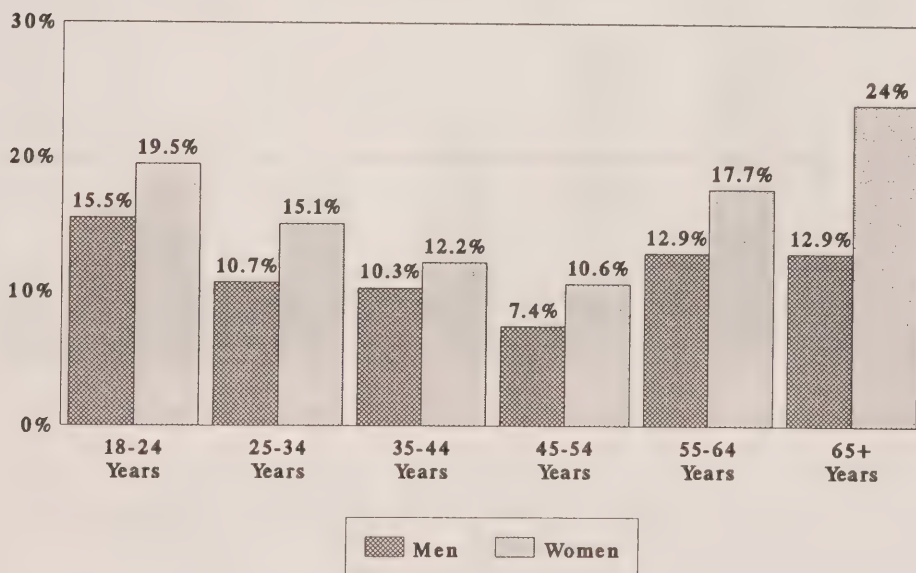
The high rates among older unattached individuals are partly due to the problems older people face when trying to enter or re-enter the labour force. There are also a growing number of widows in those age groups.

Age differences are significant when we look at poor women and men as persons, in the bottom half of the graph, rather than as members of families or unattached individuals. The gap between women and men was greatest among seniors, reflecting high poverty rates for unattached elderly women. Some of the relatively high rates among young women were due to the high poverty rates for unattached women under 65 and the extraordinarily high rates for single-parent mothers. We will have more to say about these high-risk groups later.

Poverty Rates by Age, 1990



Poverty Rates for Persons By Age and Sex, 1990

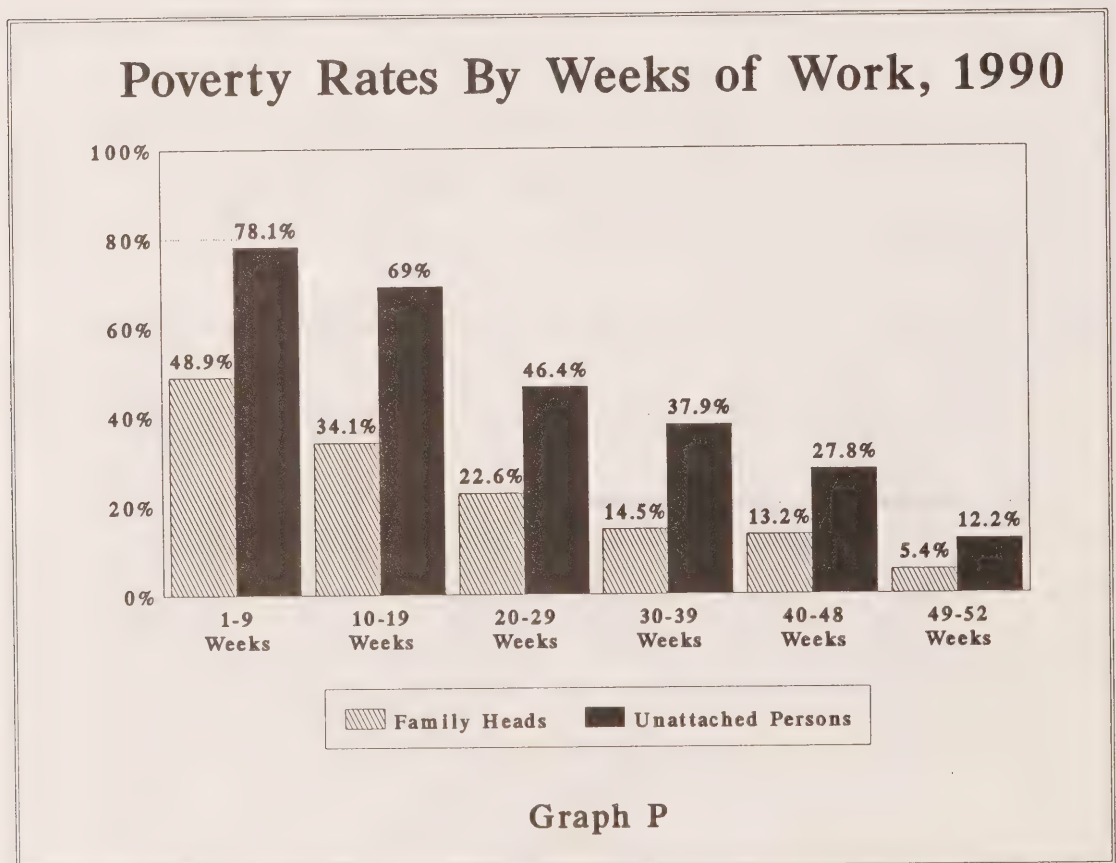


Graph O

Work Activity

As might be expected, a good job is the best insurance against poverty for Canadians under the age of 65, and Statistics Canada publishes several sets of figures that show the risk of poverty decreases as labour force activity increases. One of the most revealing relates poverty rates to the number of weeks worked during the year.

Heads of families and unattached people who worked only one to nine weeks in 1990 had the highest poverty rates, while those who worked full-time or almost full-time had low rates. As with other poverty statistics, the rates were consistently lower for families than unattached people, because many families had earners in addition to the head of the family. In fact, families with one earner had a poverty rate of 22.1 percent in 1990, while families with two earners had a poverty rate of only 5.7 percent.



The statistics relating poverty and unemployment are also revealing. Unattached individuals who were not out of work anytime during 1990 had a poverty rate of 32.5 percent, while individuals who reported some unemployment had a poverty rate of 42.5 percent. Among families, the 1990 poverty rate was 11.1 percent when no one in the family was unemployed during the year, 22 percent when the head of the family had some unemployment, and 7.4 percent when family members other than the head of the family had some unemployment.

Finally, poverty rates for both families and unattached individuals vary with the type of work done. Table 7 is arranged so that occupations with the lowest poverty rates for family heads come first and the highest rates come last. The ranking of poverty rates for unattached individuals is somewhat different. In both cases, however, family heads and unattached individuals in farming, fishing, and forestry and in service industries had the highest rates.

TABLE 7
POVERTY RATES BY OCCUPATION, 1990

Occupational Group	Family Heads	Unattached Individuals
Managerial	3.5%	11.8%
Professional	4.5%	17.4%
Processing and Machining	4.8%	9.6%
Transport	7.1%	26.8%
Product Fabrication	7.4%	19.0%
Construction	8.8%	19.0%
Sales	10.6%	27.7%
Clerical	10.8%	18.4%
Farming, Fishing, Forestry	14.6%	31.8%
Services	20.8%	40.4%

Number and Age of Children

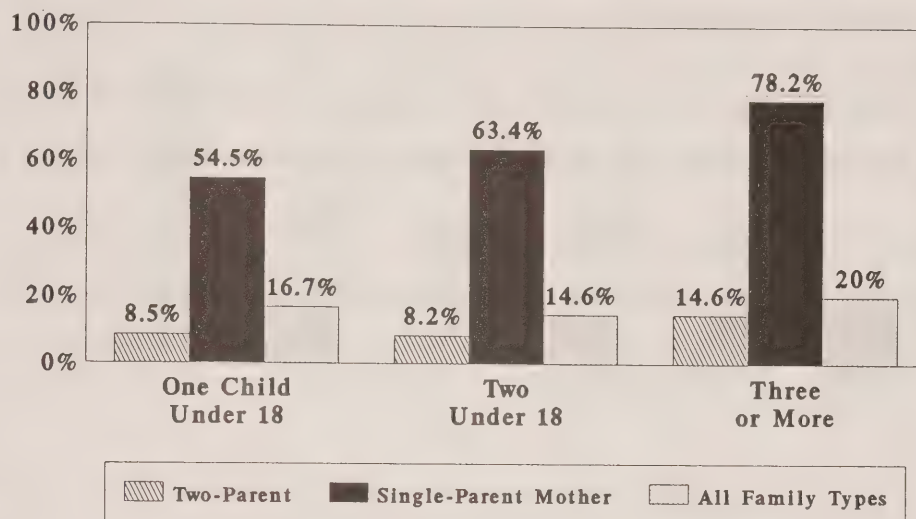
Among families with heads under 65 and children under 18, we looked at two-parent families, families led by single-parent mothers, and all families.

The top half of Graph Q on the next page shows that the poverty rate was about the same for two-parent families with one child or two children, but jumped for couples with three or more children. The pattern is clearer in the case of single-parent mothers. The risk of poverty increased proportionately when the number of children went from one to two to three or more.

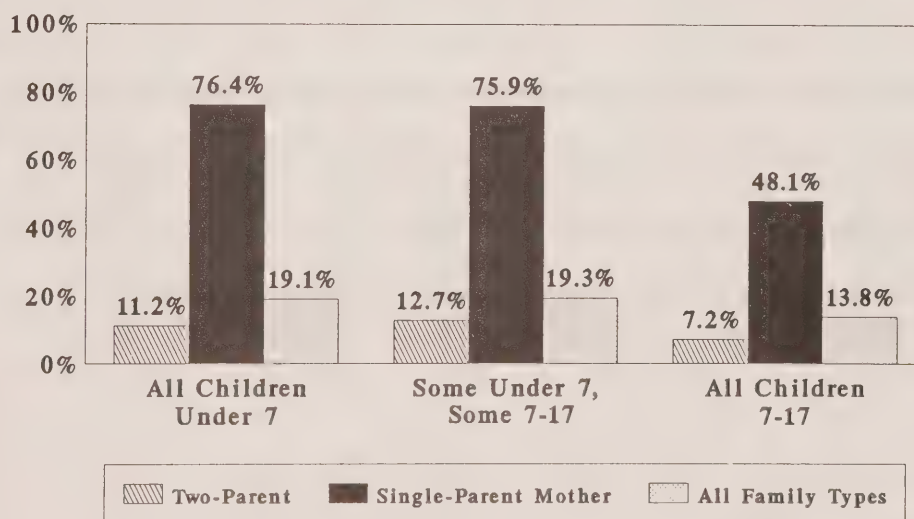
It would be logical to assume that the risk of poverty is highest for families with very young children, because the job of caring for infants and toddlers often keeps mothers out of the paid labour force. The bottom half of the graph offers some support for this hypothesis. Poverty rates were higher for all types of families with at least one child under age seven, and they were lower when all the children were seven or older. What confuses the picture is the fact that these categories do not take account of the number of children in a family. By definition, families represented by the middle set of bars in the bottom half of the graph had at least two children. Some of the families represented by the other two sets of bars had only one child.

It is interesting to note from related statistics that families led by single-parent mothers had fewer children on average than two-parent families. In 1990, poor single-parent mothers had an average of 1.73 children, and single-parent mothers who were not poor had an average of 1.49 children. Among couples with children, poor couples had 2.08 children on average and non-poor couples had 1.86 children.

Poverty Rates by Family Type and Number of Children Under 18, Families with Heads Under 65



Poverty Rates by Family Type And Ages of Children, Families with Heads Under 65



Graph Q

Education

There are a disproportionate number of poor people with low levels of education. Fifty percent of all unattached people living in poverty in 1990 did not finish high school. Among unattached people who were not poor, only 29 percent failed to finish. Similarly, 49 percent of all poor families in 1990 had heads who did not graduate from high school. Only 34 percent of non-poor families had heads who were not high school graduates.

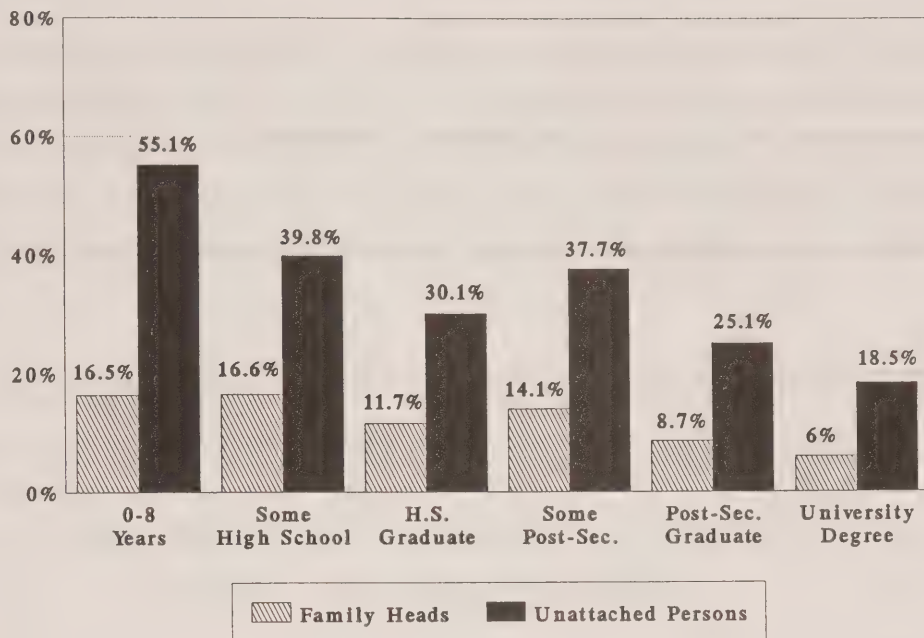
The top half of Graph R on the next page relates poverty and education. Generally speaking, the risk of poverty decreases as people get more schooling. However, it is difficult to see the reason for relatively high poverty rates for people with some post-secondary education who did not receive diplomas or certificates.

To get a better idea of the relationship between education and poverty, we looked at the poverty rates by family type as well as by level of education. The darkly shaded bars in the bottom half of the Graph R are poverty rates for family heads or unattached individuals who did not graduate from high school. The lighter bars are poverty rates for family heads or unattached individuals with a high school diploma or better. The samples were too small to use in the case of unattached men 65 and older and senior couples.

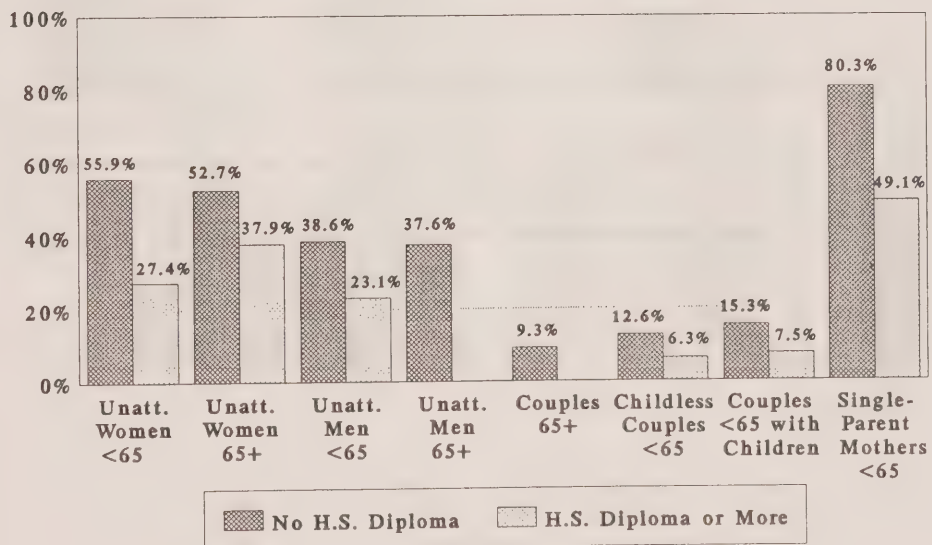
For both instances, families led by single-parent mothers and unattached individuals had high poverty rates, while other types of families had low rates. The poverty rate for single-parent mothers with less than a high school education was 80.3 percent - by far the highest among all those who did not graduate from high school. Single-parent mothers who did graduate had a poverty rate of 49.1 percent - again the highest of any family type. This suggests that family type and level of education both help influence a person's risk of poverty.

It is important to note that poor education can be either a cause of poverty or an effect. Young people who drop out of school may be poor because they lack the skills needed to get good jobs. On the other hand, young women who drop out of school if they get pregnant may be poor because of the hardships associated with single parenthood. The fact that they are poorly educated is a result of their family circumstances rather than an immediate cause of poverty.

Poverty Rates by Education, 1990



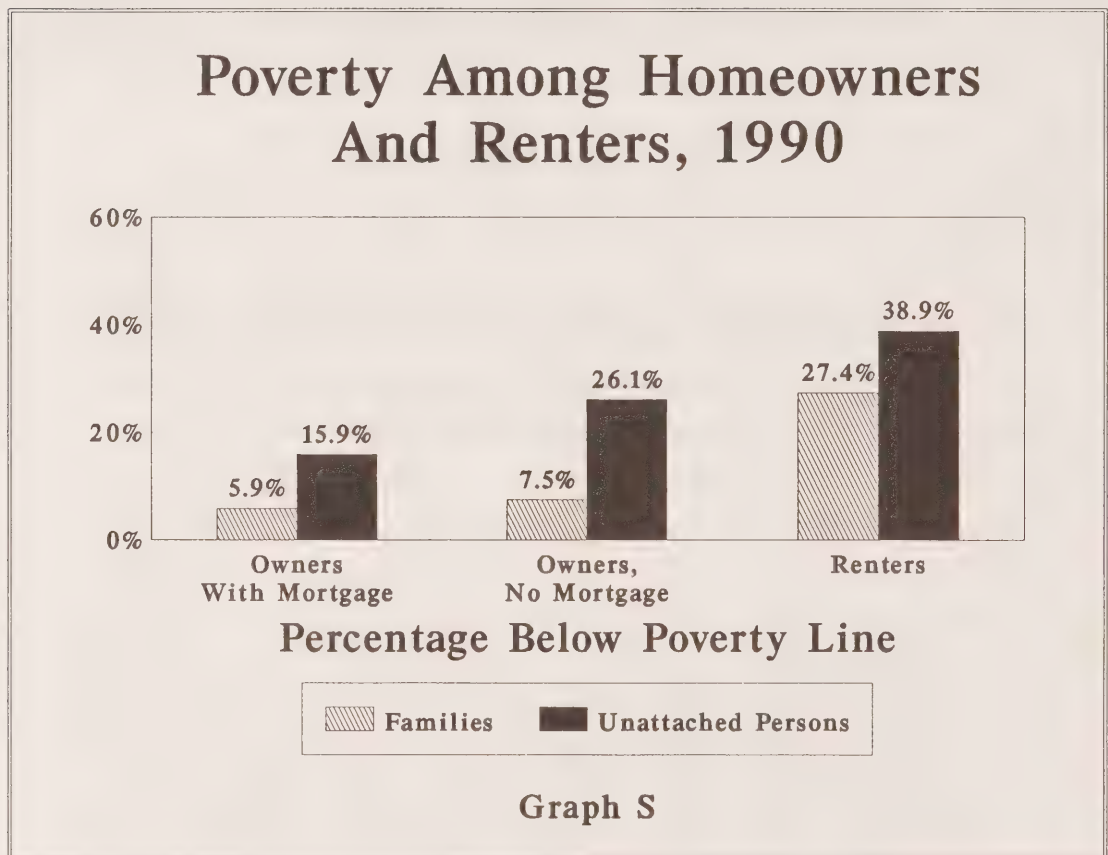
Poverty Rates by Family Type And Level of Education, 1990



Graph R

Homeowners and Renters

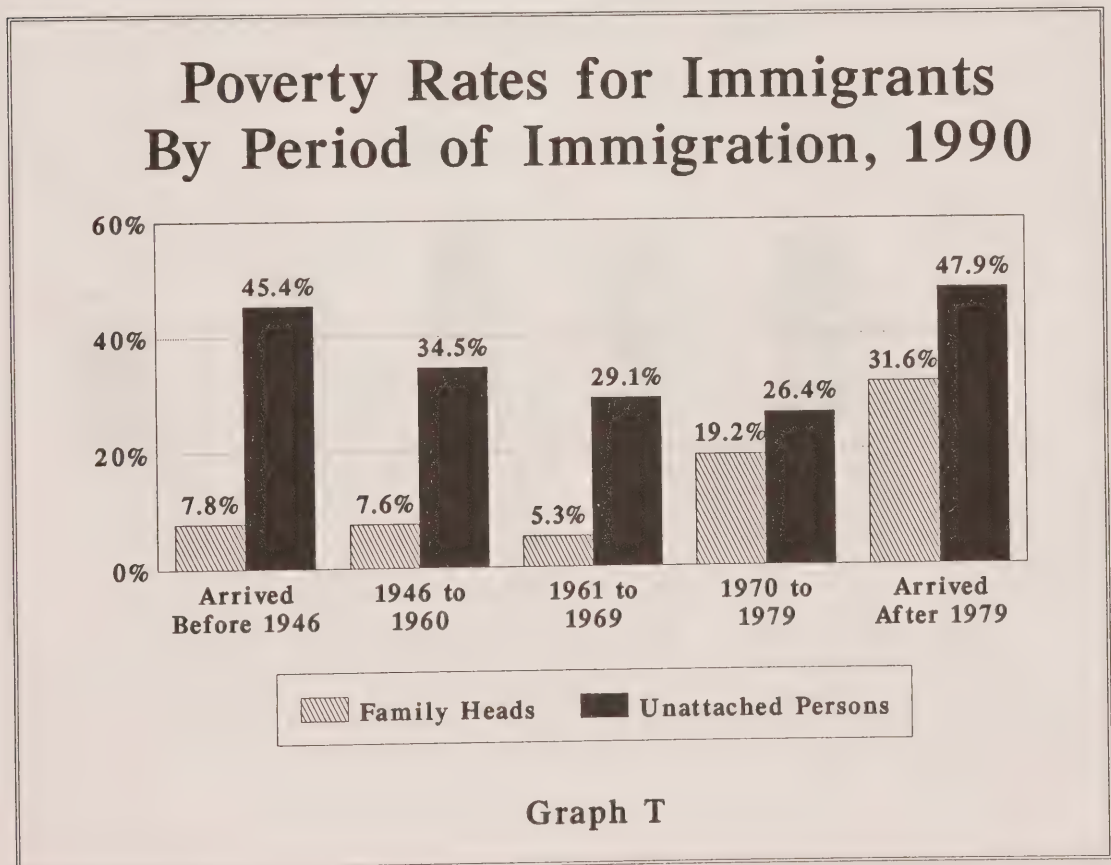
Statistics on poverty and housing are collected in three categories: homeowners with mortgages, homeowners without mortgages, and renters. For both families and unattached individuals, the lowest poverty rates in 1990 were found among owners with mortgages. Owners without mortgages had higher poverty rates. Senior citizens are the group most likely to have paid off their mortgages, and the poverty rates for unattached seniors are high.



Year of Immigration

There appears to be no overall pattern in the statistics on poverty and immigration. Poverty rates were relatively low for families with heads who immigrated to Canada prior to the 'seventies, and they were relatively high for families with heads who arrived in the 'seventies and 'eighties. Among unattached individuals, the highest poverty rates were found among both the earliest and the latest arrivals in Canada. Many of the early arrivals would have been seniors by 1990, and unattached seniors have relatively high poverty rates.

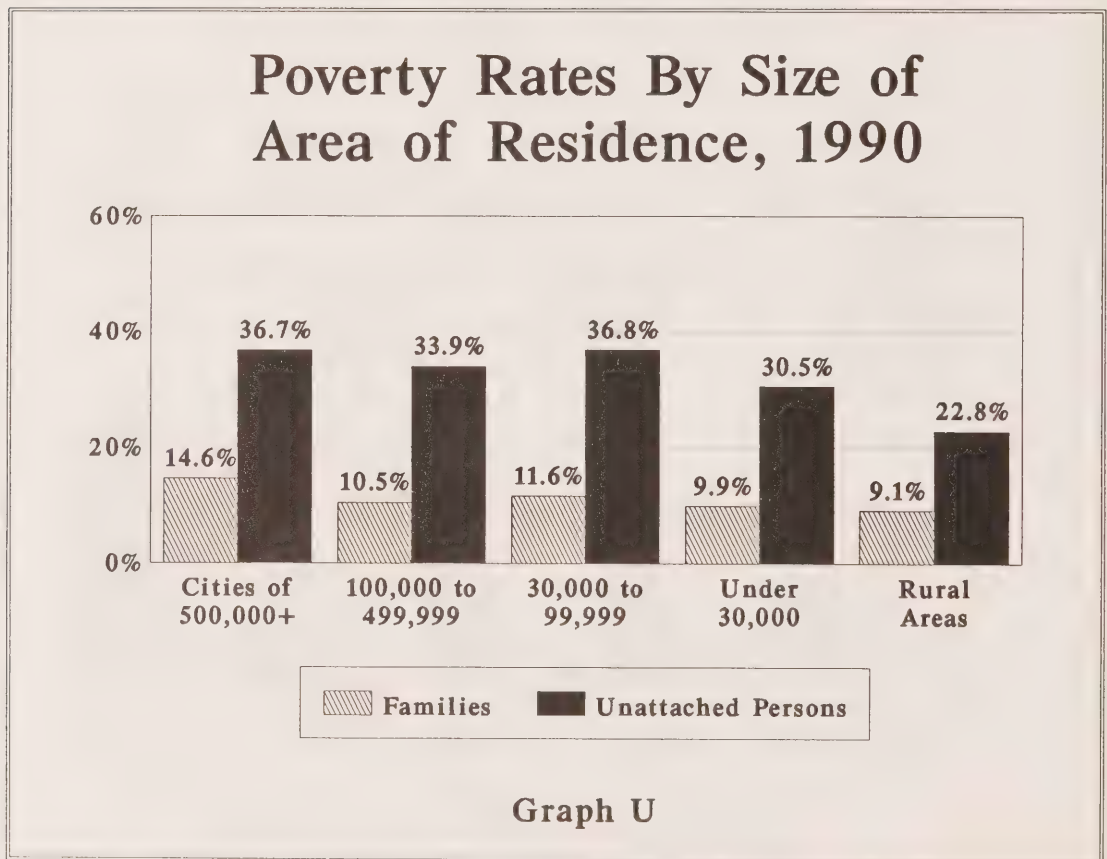
Overall, the poverty rate for families headed by an immigrant was 15.1 percent in 1990, and the poverty rate for unattached immigrants was 37.4 percent. The comparable rate for families with Canadian-born heads was 11.4 percent, and the comparable rate for unattached people born in Canada was 33.5 percent.



Area of Residence

Graph U provides details of poverty among families and unattached people in 1990 by the size of their communities. Each of the five categories in the graph corresponds to a set of poverty lines based on community size.

The low income cut-offs are higher in urban areas than in rural areas, and that explains in large part why poverty rates in major cities are noticeably higher than poverty rates in the country.

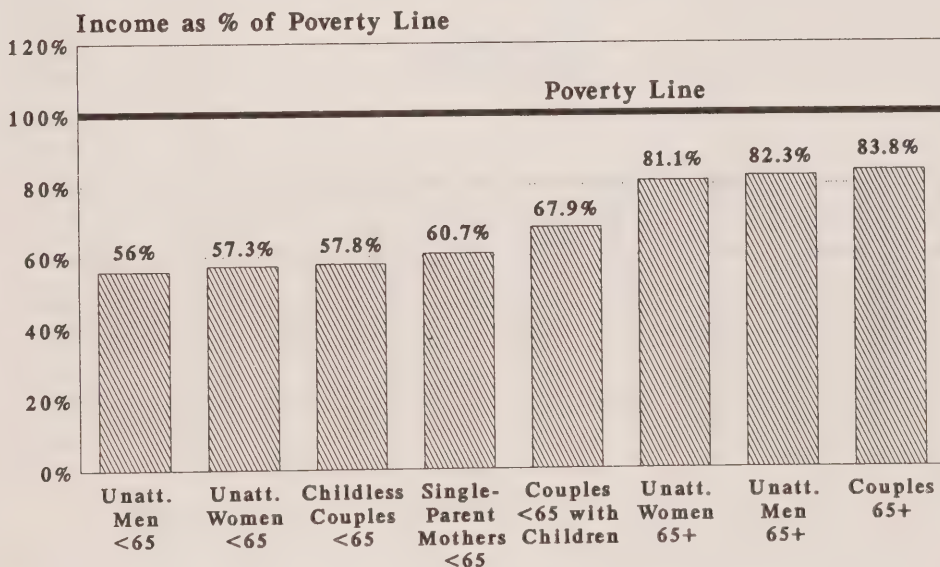


DEPTH OF POVERTY, THE POVERTY GAP AND NEAR POVERTY

It is one thing to measure the risk of poverty and quite another to measure its severity. Poverty rates show the percentage of the population which is poor each year, but they do not show whether poor people are living in abject poverty or a few dollars below the poverty line. For that, we need measures of the "depth of poverty." Similarly, it is useful to have information about the "near poor" - people who live just above the poverty line who could become poor with a small drop in income.

Several types of statistics are available on the depth of poverty. Perhaps are most useful are those which show the average incomes of poor Canadians as a percentage of the poverty line and also those which show the difference between average incomes and the poverty line in dollars.

Depth of Poverty By Family Type, 1990



Graph V

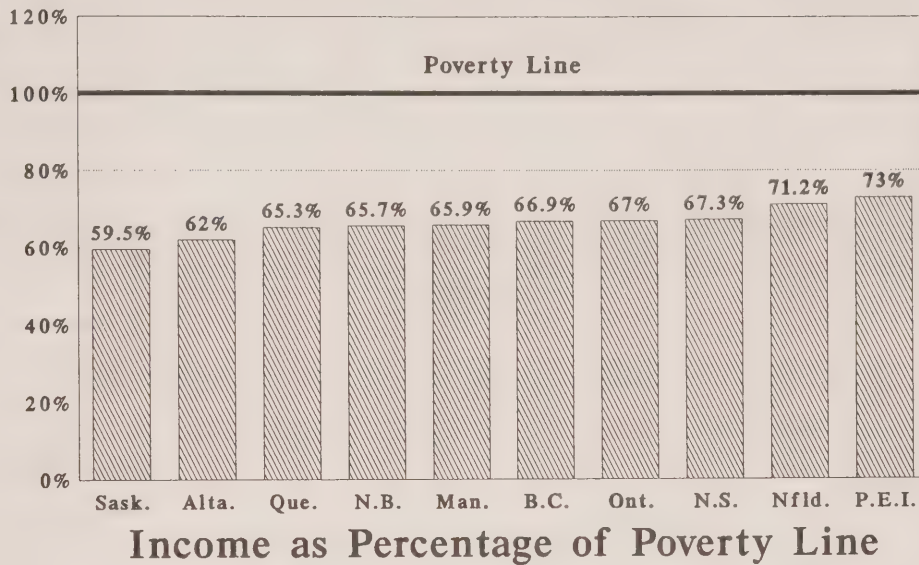
Graph V on the preceding page shows the average incomes of poor Canadians as a percentage of the poverty line for the eight family types which were highlighted in previous chapters. The groups are arranged with the poorest at the left of the graph and the least poor at the right. Unattached men under 65 were the poorest of the eight family types in 1990, with total incomes that were only 56 percent of the poverty line on average. Poor married couples 65 and older were at the other end, with average incomes of 83.8 percent of the poverty line.

To get an idea of other variations in the depth of poverty, we looked at data on poor unattached individuals and poor families by province. Unfortunately, the sample sizes were too small in most provinces to break down these categories into the eight family types.

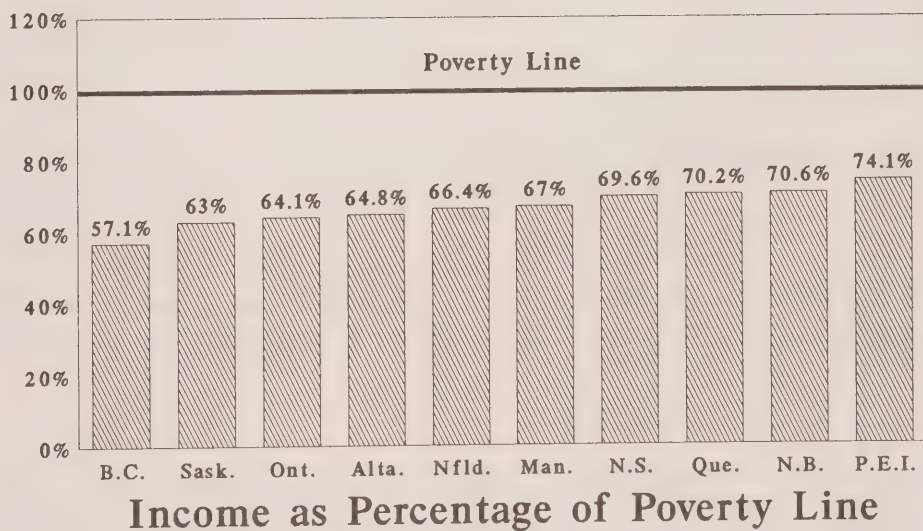
The top portion of Graph W on the next page shows depth of poverty by province for unattached individuals, with the poorest on the left side of the graph and the least poor on the right. Poor unattached individuals in Saskatchewan fared the worst with average incomes of 59.5 of the poverty line. Poor unattached people in Prince Edward Island fared the best at 73 percent of the poverty line.

The bottom half of Graph W contains similar data for families. The poorest families on average were in British Columbia at 57.1 percent of the poverty line. The least poor were in Prince Edward Island at 74.1 percent of the poverty line.

Depth of Poverty By Province, Unattached Individuals, 1990



Depth of Poverty By Province, Families, 1990



Graph W

Depth of poverty can also be expressed in dollars as the difference between the poverty line and the average incomes of poor families and unattached individuals. The eight family types in Table 8 are arranged so that those with the largest depth of poverty come first - that is, single-parent mothers under 65 with children under 18 and couples under 65 with children under 18. The three family types with average incomes closest to the poverty line all were seniors.

TABLE 8
AVERAGE DEPTH OF POVERTY IN DOLLARS, 1990

Family Type	Dollars Below Poverty Line
Single-Parent Mothers under 65 with Children under 18	\$ 8,232
Couples under 65 with Children under 18	\$ 7,871
Childless Couples under 65	\$ 6,135
Unattached Men under 65	\$ 5,650
Unattached Women under 65	\$ 5,508
Couples 65 and Older	\$ 2,911
Unattached Women 65 and Older	\$ 2,486
Unattached Men 65 and Older	\$ 2,259

Generally speaking, the depth of poverty for families did not vary much from year to year during the 'eighties, but the depth of poverty for unattached people declined more or less steadily.

For families led by single-parent mothers, the average depth of poverty fell about nine percent in constant 1990 dollars over the decade, from \$9,060 in 1980 to \$8,232 in 1990. For couples with children, the average depth of poverty rose from \$7,465 in 1980 to \$7,871 in 1990. The depth of poverty was up slightly from \$6,037 to \$6,135 for couples under 65 without

children and down slightly from \$3,032 to \$2,911 for elderly couples.⁴ All these figures are expressed in 1990 constant dollars to show the depth of poverty once the effects of inflation are removed.

The picture for unattached people is much simpler. Unattached seniors saw their average depth of poverty fall sharply from \$3,599 in 1980 to \$2,442 by the end of the decade. Unattached people under 65 experienced a decline from \$6,466 in 1980 to \$5,578 in 1990. Statistics Canada has not published depth of poverty figures on unattached individuals by sex for the years 1980 through 1989. If the statistics for 1990 are any indication, the differences between the sexes were not great.

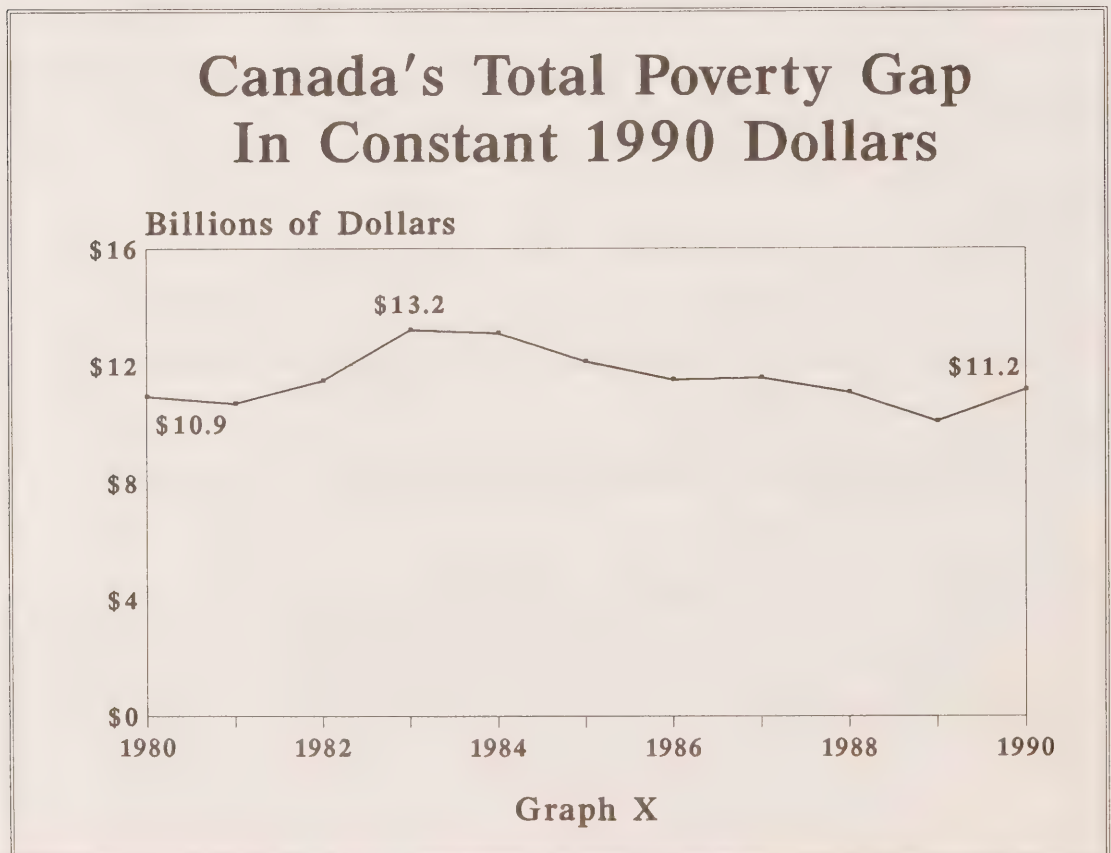
TABLE 9
TOTAL POVERTY GAP BY FAMILY TYPE, 1990

Family Type	Poverty Gap	Percentage of Total Gap
Couples under 65 with Children under 18	\$ 2,242,000,000	20.1 %
Single-Parent Mothers under 65 with Children under 18	\$ 2,101,000,000	18.8 %
Unattached Men under 65	\$ 1,997,000,000	17.9 %
Unattached Women under 65	\$ 1,989,000,000	17.8 %
Unattached Women 65 and Older	\$ 820,000,000	7.3 %
Childless Couples under 65	\$ 779,000,000	7.0 %
Couples 65 and Older	\$ 178,000,000	1.6 %
Unattached Men 65 and Older	\$ 177,000,000	1.6 %
Others	\$ 884,000,000	7.9 %
Total Poverty Gap	\$ 11,167,000,000	100.0 %

Using the average depth of poverty in dollars for different family types and the number of families or unattached individuals in each group, it is possible to calculate Canada's total "poverty gap," or the amount of additional income that would be required to bring all Canadians above the poverty line in any given year.

The poverty gap in 1990 was nearly \$11.2 billion, as shown in Table 9 on the previous page. Four family types accounted for about three-quarters of the gap: couples under 65 with children under 18; single-parent mothers under 65 with children under 18; unattached men under 65; and unattached women under 65.

The poverty gap rose and fell during the 'eighties in much the same way that poverty rates rose and fell, as shown in Graph X. All the dollar figures have been expressed in constant 1990 dollars to show the trends with the effects of inflation removed. The gap was \$10.9 billion in 1980, it rose to \$13.2 billion in 1983 in the wake of the recession, and it fell for most of the decade. With the recession in 1990, the gap was up noticeably once again.



In addition to information on the depth of poverty, Statistics Canada also has information on "near poverty" or families and unattached individuals who are just above poverty line. In 1990, there were 1.1 million unattached individuals with incomes below the poverty line and another 385,000 with incomes between the poverty line and 125 percent of the line. There were 874,000 poor families and another 513,000 families with incomes between 100 and 125 percent of the poverty line.

With sizable numbers of Canadians living either just below or just above the poverty line, the poverty statistics could change dramatically with major changes in the economy or major changes in government policy. A sharp rise in unemployment could drive hundreds of thousands of people into poverty. On the other hand, major improvements in unemployment insurance or public pension programs could lead to a significant decline in poverty.

To get an idea of the possibilities, the National Council of Welfare recalculated the 1990 poverty rates for unattached individuals and families based on hypothetical best-case and worst-case scenarios.

In the best-case scenario, we assumed that all poor people with incomes between 75 and 100 percent of the poverty line got increases in income large enough to put them over the poverty line. The number of poor unattached individuals would have fallen from 1.1 million to 624,000 under this scenario, and the number of poor families would have dropped from 874,000 to 497,000.

The worst-case scenario assumes that all people with incomes between 100 and 125 percent of the poverty line suddenly lost enough income to fall into poverty. The number of poor unattached people would have climbed from 1.1 million to 1.5 million, and the number of poor families would have gone from 874,000 to nearly 1.4 million.

Neither of these scenarios is likely to occur within the population as a whole, but there are thousands of people living near the poverty line who move in or out of poverty every year. Large numbers of seniors, for example, have incomes very close to the poverty line, and even a modest improvement in government programs for seniors could make a significant difference in the poverty rates.

INCOMES OF POOR CANADIANS AND THEIR SOURCES OF INCOME

One measure of the financial plight of poor people is how far they live below the poverty line. Another is how their incomes compare to average incomes. Table 10 gives the average income of poor Canadians by family type in 1990, the average income of all Canadians by family type, and the relationship between the two. For example, unattached men under 65 who were poor had an average total income of \$7,585 in 1990. The average income of all unattached men under 65, both poor and non-poor, was \$27,160. The income of the poor amounted to 28 percent of the income of all unattached men on average.

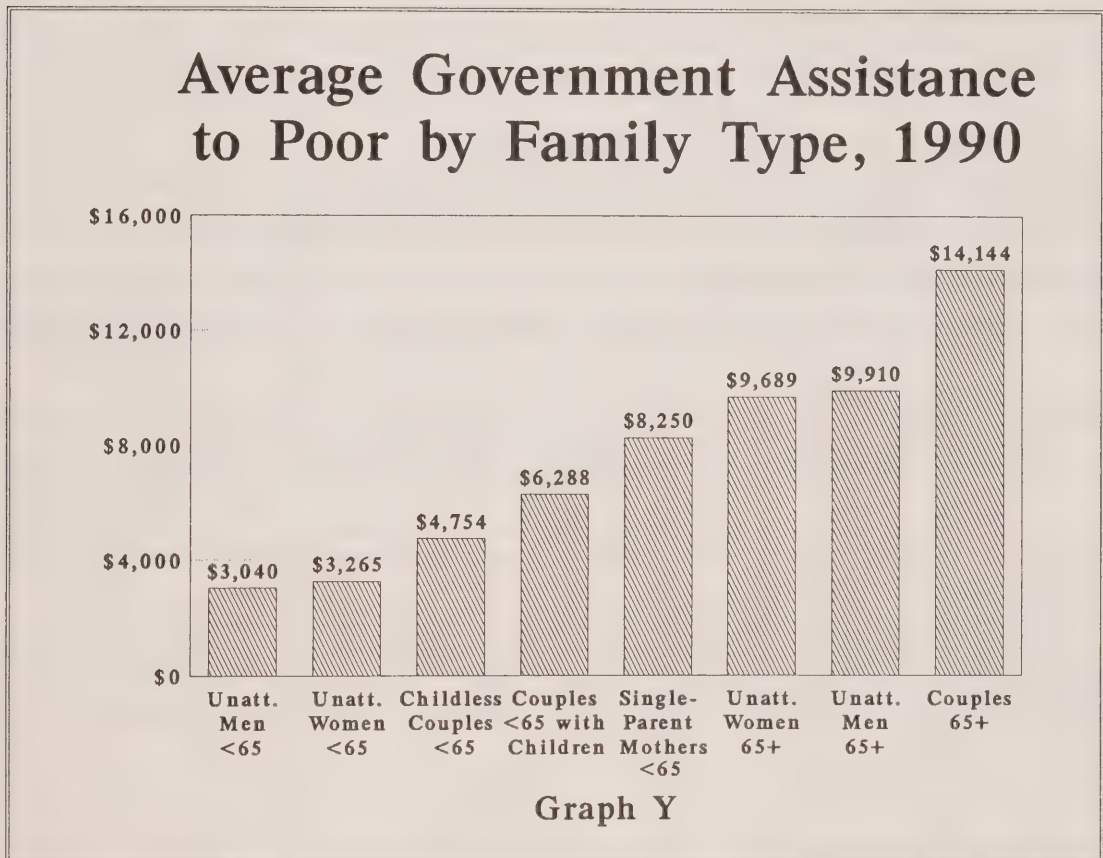
TABLE 10

INCOMES OF THE POOR COMPARED TO AVERAGE INCOMES, 1990

Family Type	Average Income of Poor	Average Income of All	Income of Poor as Percentage of All
Unattached Men under 65	\$ 7,585	\$ 27,160	28%
Unattached Women under 65	\$ 7,700	\$ 22,292	35%
Childless Couples under 65	\$ 9,968	\$ 50,549	20%
Unattached Women 65 and Older	\$ 10,734	\$ 16,565	65%
Unattached Men 65 and Older	\$ 10,773	\$ 19,781	54%
Single-Parent Mothers under 65 with Children under 18	\$ 12,731	\$ 21,976	58%
Couples 65 and Older	\$ 15,230	\$ 34,794	44%
Couples under 65 with Children under 18	\$ 17,240	\$ 57,249	30%

Obviously, many poor Canadians rely on government programs of one kind or another to help make ends meet. In some cases, the amounts provided by governments are surprisingly modest, and the amounts provided by earnings and non-government sources of income are substantial. In other cases, especially in the case of poor seniors, governments provide a very large portion of total income.

Graph Y shows the average amount of government assistance given to poor families and unattached individuals in 1990, with the smallest amounts at the left of the graph and the largest amounts at the right. Unattached men and women under age 65 got the least amount of help from government and seniors got the most.



Overall, government programs in 1990 provided 40 percent of total income on average for poor unattached men under 65; 42 percent for poor unattached women under 65; 48 percent

for poor childless couples under 65; 36 percent for poor couples under 65 with children; and 65 percent for single-parent mothers under 65 with children. They provided 90 percent of total income to poor unattached women 65 and older; 92 percent to poor unattached men 65 and older; and 93 percent to poor senior couples.

We now turn to specific sources of income for poor people - first poor seniors and then poor families and unattached individuals under 65. For each category, there are two columns. The first column indicates the percentage of poor families or individuals with income from a particular source. The second column gives the average amount for recipients only. Poor people who did not receive a particular type of income were not included in calculating average payments.

TABLE 11
SOURCES OF INCOME FOR POOR SENIORS, 1990

Source of Income	Poor Couples 65 and Older		Poor Unattached 65 and Older	
	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient
Old Age Security Pension and Guaranteed Income Supplement	97%	\$ 10,482	99%	\$ 7,480
Canada and Quebec Pension Plans	74%	\$ 3,614	57%	\$ 2,902
Investment Income	samples too small		39%	\$ 1,486
Welfare			29%	\$ 728
Occupational Pension Plans			16%	\$ 2,125
Income from All Sources	100%	\$ 15,230	100%	\$ 10,741

Almost all poor seniors got a sizable portion of their total incomes from the federal government's old age security pension and guaranteed income supplement. The reason the percentages are less than 100 percent is probably because some poor seniors were recent immigrants to Canada who did not meet the residence requirements for the two programs. The maximum payment from the old age security pension and guaranteed income supplement to senior couples in 1990 was \$14,717, and the maximum payment for an unattached senior was \$9,077.

The second most important source of income, claimed by 74 percent of poor senior couples and 57 percent of poor unattached seniors, was benefits from the Canada Pension Plan or Quebec Pension Plan. The maximum retirement benefit under the two plans was \$6,925 in 1990, and the maximum survivor pension for a person 65 and older was \$4,355. The maximums relate to career earnings above the average wage. People who had lower earnings during their careers get lower benefits.

Well under half of poor elderly unattached individuals had income from investments, and the average amounts received were modest. A surprising portion of unattached seniors had to rely on welfare to make ends meet, but the payments were relatively small on average. Finally, 16 percent of poor unattached seniors had modest income from occupational pension plans.

The percentage of poor senior couples receiving income from investments, welfare and occupational pension plans is not known for sure, because the sample sizes in the survey were too small to be reliable.

A different picture emerges when we look at sources of income for poor people under 65. Earned income is often the major source of income, although welfare and unemployment insurance benefits are also important. Details are provided in Table 12 on the next page.

TABLE 12

SOURCES OF INCOME FOR POOR FAMILIES AND INDIVIDUALS UNDER 65, 1990

Source of Income	Unattached Men		Unattached Women		Childless Couples		Couples with Children		Single-Parent Mothers	
	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient
Earnings	70%	\$ 6,012	65%	\$ 6,096	61%	\$ 6,405	89%	\$ 11,563	55%	\$ 6,750
Welfare	34%	\$ 4,871	33%	\$ 5,552	31%	\$ 6,704	23%	\$ 6,598	63%	\$ 7,958
Unemployment Insurance	16%	\$ 3,221	12%	\$ 3,206	15%	\$ 3,639	33%	\$ 4,578	16%	\$ 3,140
Investment Income	13%	\$ 1,320	16%	\$ 1,452	30%	\$ 1,976	30%	\$ 1,356	8%	\$ 1,667
Family Allowances	--	--	--	--	--	--	94%	\$ 944	98%	\$ 735
Child Tax Credit	--	--	--	--	--	--	93%	\$ 1,333	99%	\$ 1,050
Other*	--	--	10%	\$ 3,795	20%	\$ 5,267	--	--	16%	\$ 3,570
Income from All Sources	100%	\$ 7,585	100%	\$ 7,700	100%	\$ 9,968	100%	\$ 17,240	100%	\$ 12,731

* The category "other" actually means Canada or Quebec Pension Plan benefits in the case of unattached women and childless couples under 65. The source was not specified in the case of single-parent mothers, but much of the money could be for child support.

Earnings were the single most important source of income in 1990 for four of the five family types listed in the table, and they were the second most important source of income for poor single-parent families led by women. Earnings were reported by 70 percent of poor unattached men under 65; 65 per cent of poor unattached women under 65; 61 percent of poor childless couples under 65; 89 percent of poor couples under 65 with children under 18; and 55 percent of poor single-parent mothers under 65 with children under 18. Many of these people earned enough to pay income taxes.

The average amounts received in earnings were noteworthy, but modest, in all cases. The average of \$6,750 earned by poor single-parent mothers, for example, was equivalent to 34 weeks of full-time work at a rate of \$5 an hour or 17 weeks of full-time work at \$10 an hour.

A sizable portion of each of the five family types received fairly large amounts of welfare during 1990. Welfare payments were reported by 34 percent of the poor unattached men under 65; 33 percent of the poor unattached women under 65; 31 percent of the poor childless couples under 65; 23 percent of the poor couples under 65 with children under 18; and 63 percent of the poor single-parent mothers under 65 with children under 18.

Judging by the average amounts received, many of the poor unattached men and women and the poor single-parent families were on welfare much of the year. Poor couples, with or without children, seem to have spent less time on welfare on average. As the National Council of Welfare reported in Welfare Incomes 1990, unattached people could have received provincial welfare and related benefits ranging between \$2,904 and \$7,245 a year, single parents with one child between \$9,006 and \$13,253, and couples with two children \$8,500 to \$14,944.⁵

Unemployment insurance payments were reported by 16 percent of the poor unattached men under 65; 12 percent of the poor unattached women under 65; 15 percent of the poor childless couples under 65; 33 percent of the poor couples under 65 with children under 18; and 16 percent of the poor single-parent mothers under 65 with children under 18. As in the case of earnings, the average amounts received suggest that poor families or unattached people were on UI for fairly long periods of time - in the order of 25 to 30 weeks for four of the family types in the table and 40 weeks for the poor couples with children. Unemployment insurance paid recipients 60 percent of their normal wages to a maximum benefit of \$384 a week in 1990.

A relatively small percentage of poor families and unattached individuals under 65 had income from investments.

Federal family allowances and child tax credits were received by most of the poor families with children under 18. For some reason, the percentage receiving these benefits was less than 100 percent. Family allowances in most parts of Canada amounted to \$400 for each child under 18 in 1990.⁶ The maximum child tax credit was \$778 in the case of a child under age seven and \$575 for each child seven through 17.

The category "other" refers to Canada and Quebec Pension Plan benefits in the case of poor unattached women and poor childless couples under 65. Presumably, many of the unattached women were widows who received survivor pensions from one of the plans. In the case of the childless couples, the size of the average amounts suggests they were disability benefits or retirement benefits paid under the early retirement provisions of the plans.

"Other" in the case of poor single-parent mothers is not known, but it may be mostly child support payments. Only 16 percent - or about one of every six poor single-parent families led by women - received income in the "other" category in 1990.

A CLOSER LOOK AT GROUPS OF SPECIAL INTEREST

In this chapter, we take a closer look at four groups that have attracted special interest over the years: the "working poor," children, women and seniors. The working poor are the subject of a current research project by the National Council of Welfare. Children were featured in a 1990 brief entitled Fighting Child Poverty that was prepared for the Parliamentary subcommittee on child poverty and also in a recent report The 1992 Budget and Child Benefits. The Council's most recent work on women was Women and Poverty Revisited in 1990. The financial problems of seniors were the focus of a 1989 report entitled A Pension Primer and a 1990 report Pension Reform.

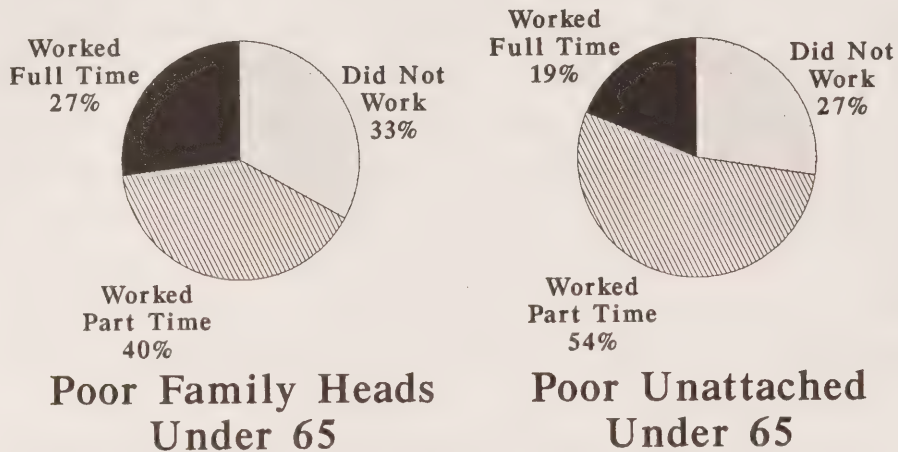
The Working Poor

The term "working poor" refers to poor people who are normally in the paid labour force, but there is no precise definition that is accepted by all researchers. Some researchers reserve the term for poor people who have full-time jobs for virtually the entire year. Others include poor people who have strong ties to the labour market regardless of the number of weeks worked or the normal hours of work each week.⁷

Graph Z on the next page gives a breakdown of poor family heads and unattached individuals who worked full time or part time or did not work at all for wages during 1990. For the purposes of this graph, Statistics Canada excluded family heads and individuals 65 and older, as well as younger people who reported that they were permanently unable to work. Full time means the person worked between 49 and 52 weeks during the year and the normal work week was 30 hours or more. Part time means the person worked less than 49 weeks a year or less than 30 hours a week.

Overall, 27 percent of poor family heads under 65 and 19 percent of poor unattached individuals under 65 worked full time in 1990, and many more worked part time. Only 33 percent of poor family heads and 27 percent of poor unattached individuals did not work at all.

Work Activity by Family Heads and Unattached People, 1990



Graph Z

Another way to define working poor is families and unattached individuals living below the poverty line who get at least half of their total income from employment earnings. This definition puts aside the distinction between full-time and part-time work and focuses on poor people who spend a substantial part of the year in paid jobs.

Table 13 on the next page shows the working poor by family type using this second definition. As in the previous graph, the table excludes people 65 and older and people permanently unable to work.

More than half of the poor unattached men and women and poor couples had earnings that accounted for 50 percent or more of their total income in 1990. The poor families led by single-parent mothers were the exception to the rule, with only 28 percent claiming earnings as 50 percent or more of total family income.

TABLE 13
POOR FAMILIES AND UNATTACHED INDIVIDUALS UNDER 65
WITH EARNINGS OF 50 PERCENT OR MORE OF TOTAL INCOME, 1990

	Unattached Men	Unattached Women	Childless Couples	Couples with Children	Single-Parent Mothers
Total Number of Poor Families or Unattached People	314,000	333,000	105,000	271,000	251,000
Number with Earnings of 50 Percent or More of Total Income	192,000	175,000	60,000	181,000	71,000
Percentage with Earnings of 50 Percent or More of Total Income	61 %	53 %	57 %	67 %	28 %
Average Annual Earnings	\$ 7,062	\$ 7,266	\$ 7,160	\$ 14,324	\$ 10,360
Average Total Income	\$ 8,044	\$ 8,122	\$ 9,020	\$ 18,632	\$ 13,908
Earnings as a Percentage of Total Income	88 %	89 %	79 %	77 %	74 %

The size of average earnings is also significant. Poor unattached men under 65 whose major source of income was earnings earned an average of \$7,062 in 1990. That is equivalent to a full-time minimum-wage job at \$5 an hour for 35 weeks or nearly 18 full weeks of work at \$10 an hour. The average amount earned by unattached women was slightly higher.

Poor couples without children who reported earnings of at least 50 percent of total income had average earnings of \$7,160 in 1990. For poor couples with children under 18 and earnings of 50 percent or more of total income, average annual earnings were \$14,324. Poor single-parent mothers with children under 18 were in the paid labour force much less often than poor couples. However, those who claimed earnings of 50 percent or more of total income earned \$10,360 on average.

Children

Child poverty rates are a reflection of parental poverty rates and tend to rise or fall as economic conditions deteriorate or improve. The most striking difference year after year is the huge gulf between the poverty rate for children in two-parent families and the rate for children of single-parent mothers. There are also important differences from province to province.

Table 14 on the next page gives the 1990 poverty rates and number of children living in poverty by family type and province. The category "all poor children" includes a small number of children who do not fall into either of the two family types listed. The national total of 1,105,000 poor children, for example, includes 73,000 poor children under 18 living in less common family circumstances. Some of them lived with single-parent fathers or relatives other than their parents.

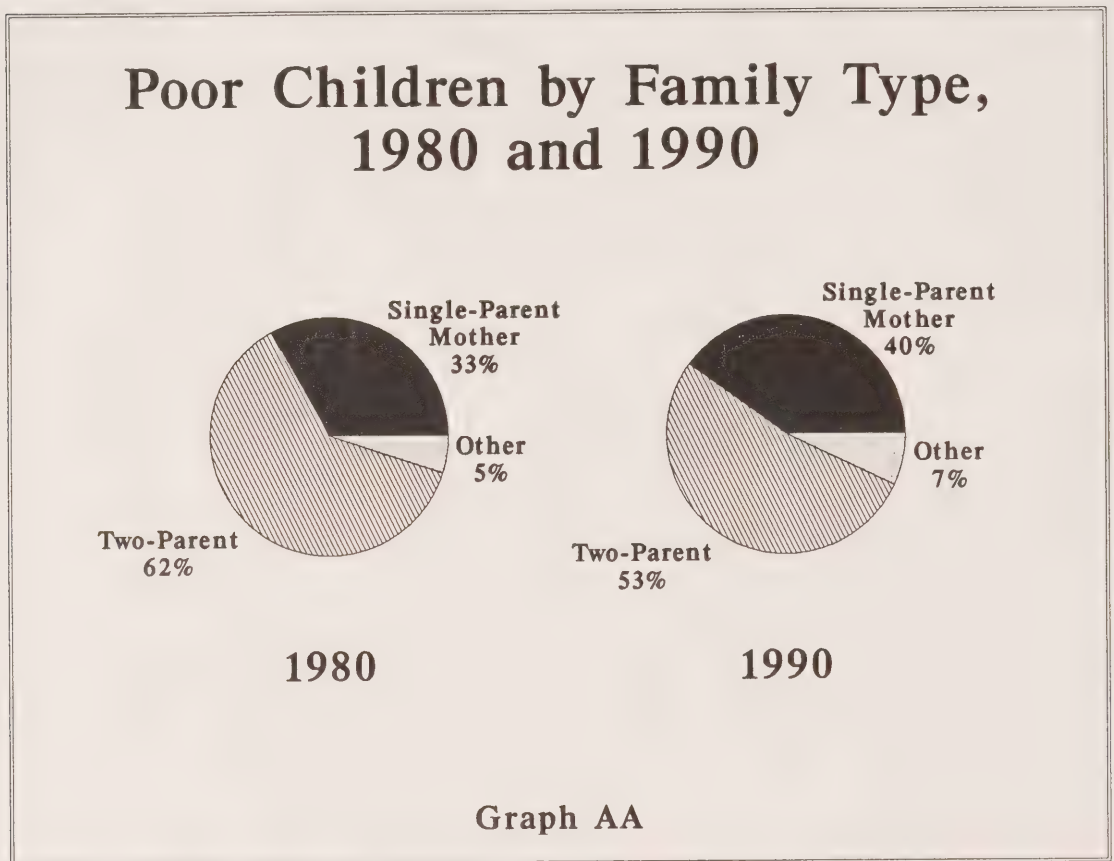
In 1990, 16.9 percent of all Canadian children under 18 were poor. The lowest provincial child poverty rate was 13.7 percent in Prince Edward Island, and the highest was 22 percent in Manitoba. The national poverty rate for poor children in two-parent families was 10.6 percent, and provincial rates went from a low of eight percent in Nova Scotia to a high of 16.3 percent in Manitoba. The poverty rates for children of single-parent mothers were abysmally high. The national rate was 64.1 percent, and the range was from 55.2 percent in Prince Edward Island to 75.3 percent in Manitoba and 75.6 percent in Newfoundland.

TABLE 14
CHILDREN UNDER 18 LIVING IN POVERTY IN 1990, BY PROVINCE

	All Poor Children		Poor Children of Two-Parent Families		Poor Children of Single Parents Mothers	
	Poverty Rate	Number of Children	Poverty Rate	Number of Children	Poverty Rate	Number of Children
Newfoundland	19.6%	32,000	14.9%	21,000	75.6%	9,000
Prince Edward Island	13.7%	5,000	8.4%	3,000	55.2%	2,000
Nova Scotia	16.5%	35,000	8.0%	14,000	63.5%	18,000
New Brunswick	17.1%	31,000	9.3%	14,000	69.4%	14,000
Quebec	18.1%	292,000	12.5%	174,000	61.0%	104,000
Ontario	14.7%	346,000	8.2%	163,000	64.1%	157,000
Manitoba	22.0%	58,000	16.3%	38,000	75.3%	18,000
Saskatchewan	20.4%	55,000	15.3%	36,000	63.3%	14,000
Alberta	18.3%	124,000	10.9%	63,000	66.2%	54,000
British Columbia	16.9%	128,000	10.1%	64,000	63.5%	52,000
Canada	16.9%	1,105,000	10.6%	591,000	64.1%	441,000

One of the long-standing myths about child poverty is that most poor children live in single-parent households. Table 14 shows that this is not the case for Canada as a whole. In 1990, 591,000 poor children lived in two-parent families, while 441,000 poor children lived in single-parent families headed by women. The two provinces that proved to be exceptions to the norm were Nova Scotia and New Brunswick. Poor children living with single-parent mothers outnumbered poor children in two-parent families 18,000 to 14,000 in Nova Scotia. The number of poor children in the two categories in New Brunswick was the same, 14,000 in each.

Nonetheless, the proportion of poor children living with single-parent mothers grew substantially during the 'eighties. As Graph AA shows, 33 percent of all poor children in 1980 lived in families headed by single-parent mothers, and most of the rest lived in two-parent families. By 1990, the percentage of poor children with single-parent mothers was up to 40 percent and the percentage living with both parents was down to 53 percent.



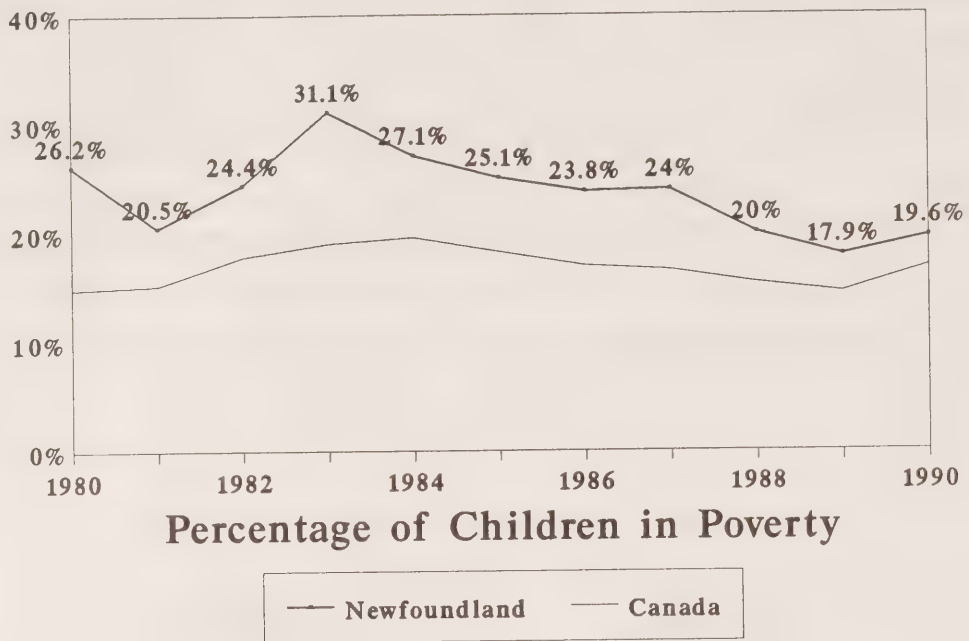
Provincial trends in child poverty during the 'eighties are shown in the graphs on the following five pages. Each graph gives overall child poverty rates from 1980 through 1990. For purposes of comparison, each graph also contains a line without percentages that traces the national child poverty rate.

Prince Edward Island and Ontario had child poverty rates that were below average for all or most of the decade. Rates in Nova Scotia and British Columbia were about average.

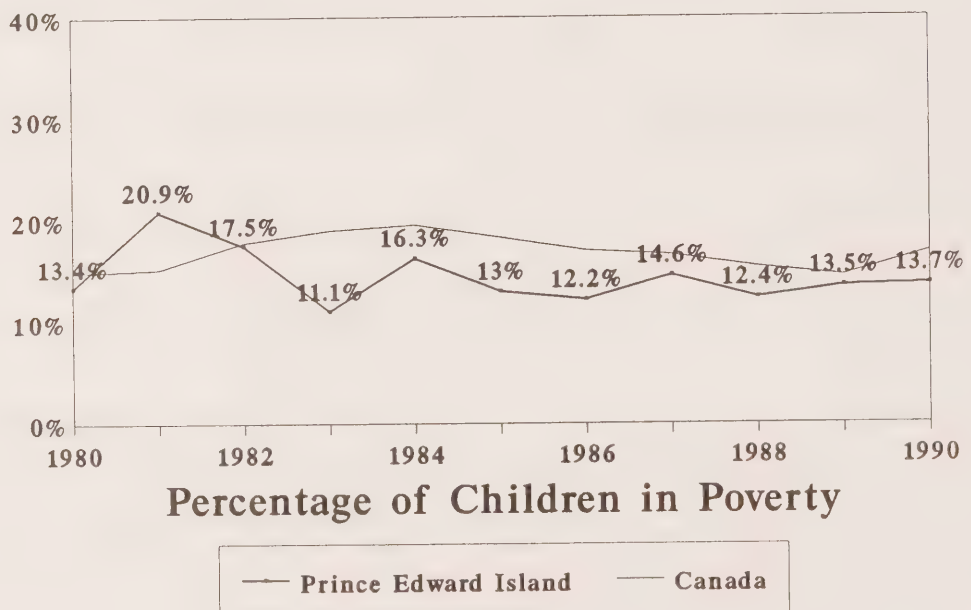
Newfoundland, Quebec, Manitoba and Saskatchewan were generally higher than average. Rates in Alberta rose to higher than average by the end of the decade, while rates in New Brunswick fell to near average.

A significant rise in child poverty, for reasons unknown, occurred in the four western provinces between 1980 and 1990. Equally discouraging is the fact that child poverty rates in recent years were above average in Quebec, Manitoba and Saskatchewan. All three provinces have special programs of their own to assist low-income families with children.⁸

Child Poverty in Newfoundland

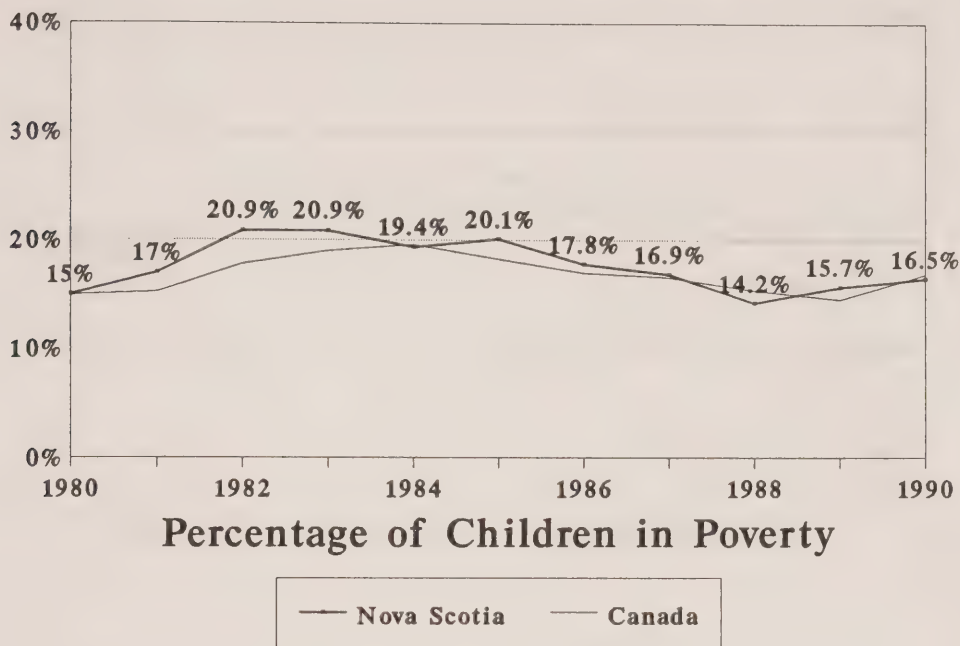


Child Poverty in Prince Edward Island

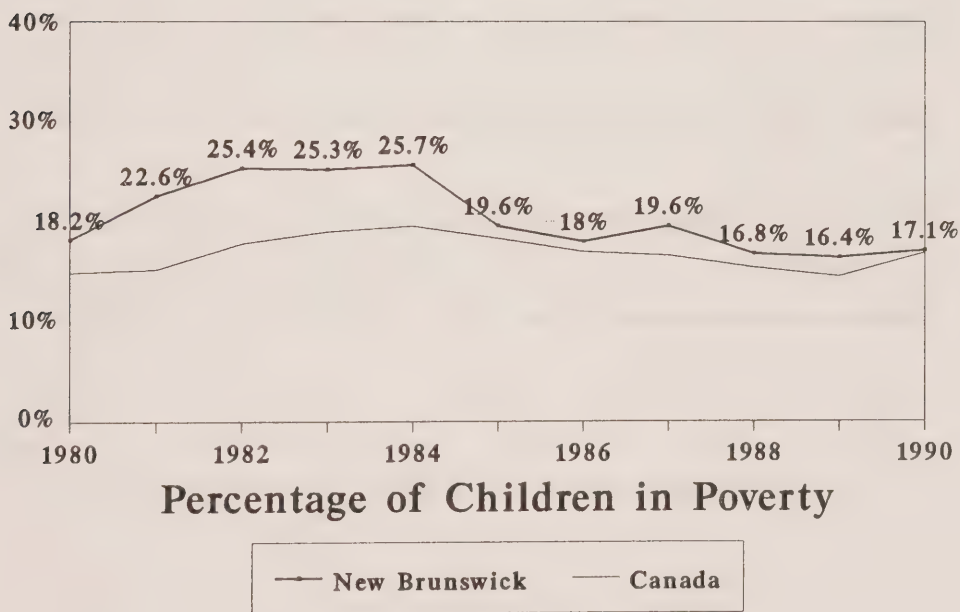


Graph AB

Child Poverty in Nova Scotia

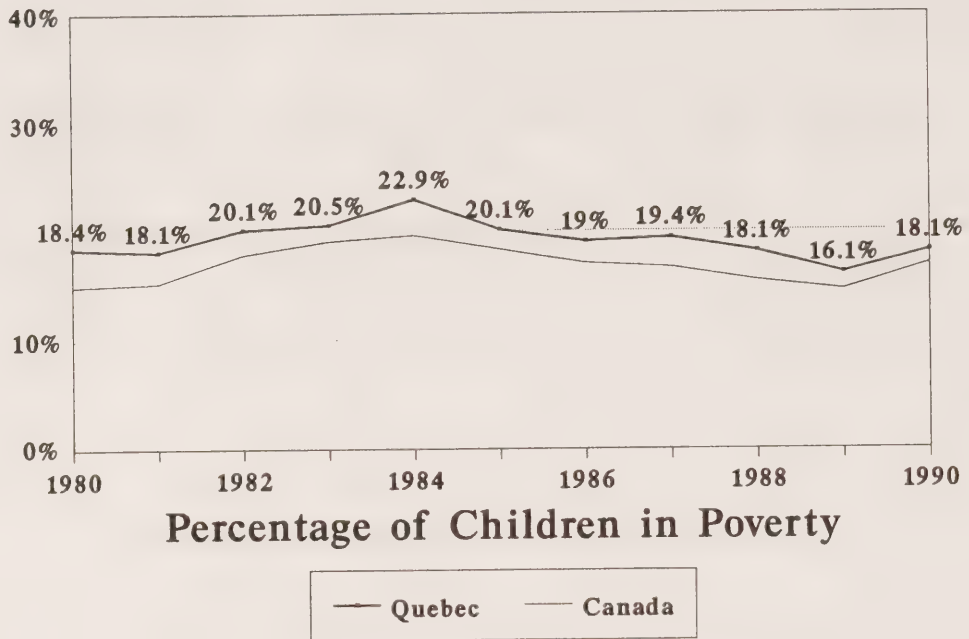


Child Poverty in New Brunswick

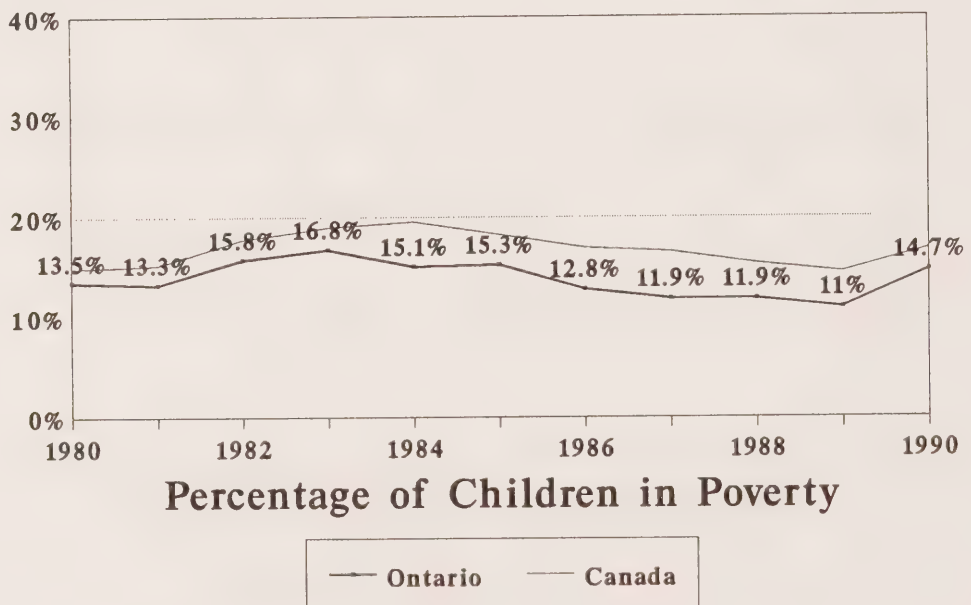


Graph AC

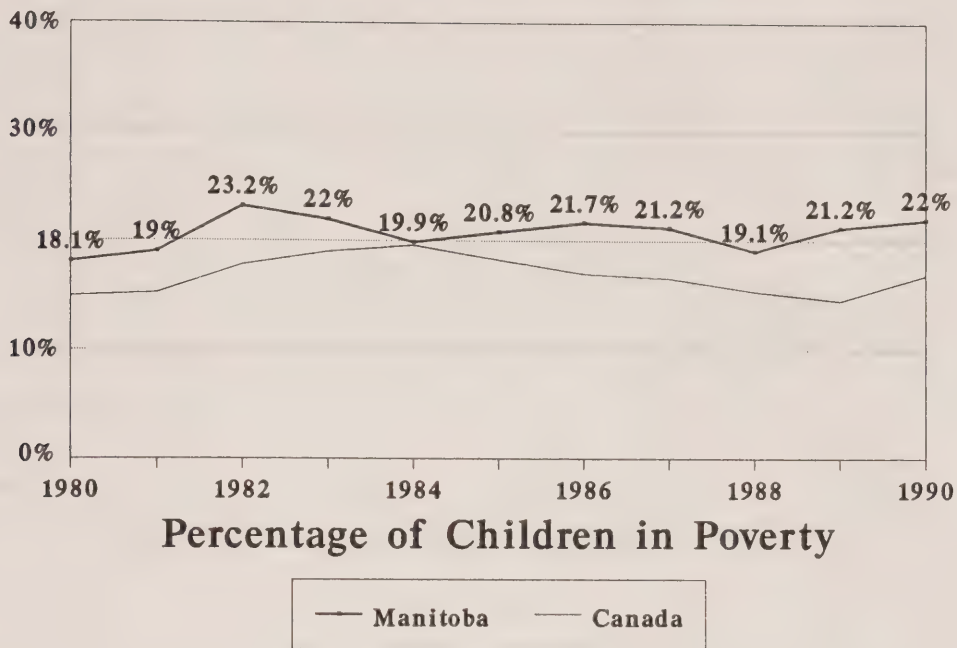
Child Poverty in Quebec



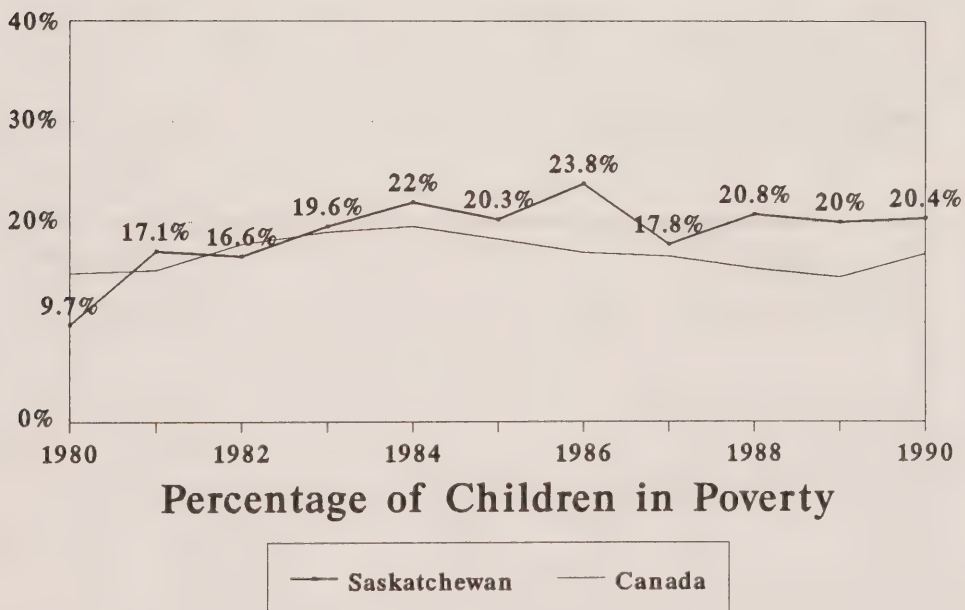
Child Poverty in Ontario



Child Poverty in Manitoba

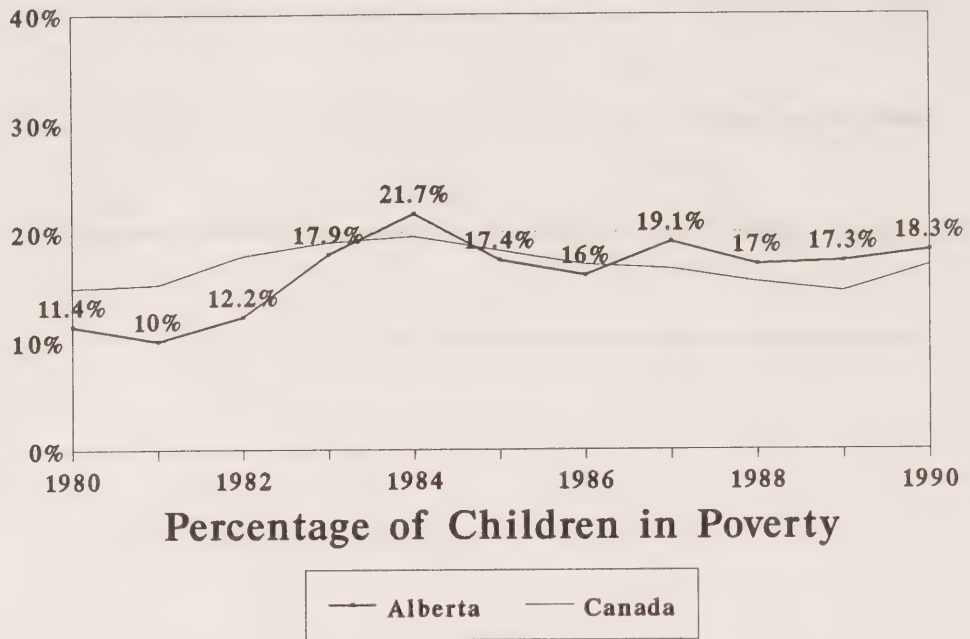


Child Poverty in Saskatchewan

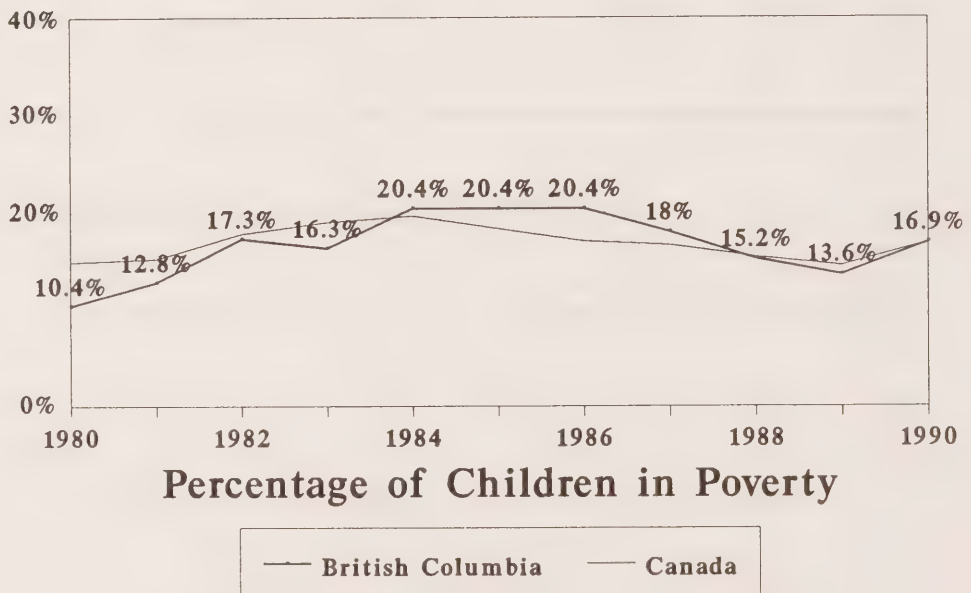


Graph AE

Child Poverty in Alberta



Child Poverty in British Columbia



Graph AF

Seniors

Poverty rates for seniors have fallen more or less consistently in every province, in line with the national trend described earlier in this report, and the size of some of the reductions is almost breathtaking. However, major differences remain in the extent of poverty among seniors in different provinces.

Table 15 gives the poverty rates for senior men and women in each province in 1980 and 1990 and the percentage decline over the decade. In every province except Saskatchewan, the rate for men dropped faster than the rate for women.

TABLE 15

POVERTY RATES FOR MEN AND WOMEN 65 AND OLDER BY PROVINCE

	Men			Women		
	1980	1990	Percent Change	1980	1990	Percent Change
Newfoundland	27.6	10.9	-61%	36.9	20.6	-44%
Prince Edward Island	33.7	9.1	-73%	52.7	21.6	-59%
Nova Scotia	22.8	7.9	-65%	31.5	16.8	-47%
New Brunswick	22.1	9.2	-58%	34.2	17.5	-49%
Quebec	33.7	19.1	-43%	46.2	35.6	-23%
Ontario	24.0	10.1	-58%	34.3	20.1	-41%
Manitoba	23.8	9.3	-61%	41.2	27.6	-33%
Saskatchewan	28.1	7.7	-73%	49.0	12.0	-76%
Alberta	25.2	14.4	-43%	38.8	23.1	-40%
British Columbia	29.6	14.6	-51%	32.7	20.6	-37%
Canada	27.3	12.9	-53%	38.4	24.0	-38%

In 1990, Saskatchewan had the lowest poverty rates for seniors and Quebec had the highest. The rate for elderly men ranged from 7.7 percent in Saskatchewan to 19.1 percent in Quebec, and the range for elderly women went from 12 percent in Saskatchewan to 35.6 percent in Quebec.

One possible explanation for Quebec's high rates is the lack of any provincial income supplement for low-income seniors. Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia all have supplements, and some of the amounts provided are substantial. On the other hand, poverty rates for seniors are relatively low in three other provinces with no supplements: Newfoundland, Prince Edward Island and New Brunswick.

Women

Women face a significantly higher risk of poverty overall than men, but most of the differences between the sexes can be explained by the high poverty rates of three family types: unattached women under 65, unattached women 65 and older, and single-parent mothers under 65 with children under 18.⁹

As we noted at the beginning of this report, the 1990 poverty rate for unattached women under 65 was 34.1 percent, compared to 27.2 percent for unattached men under 65. For unattached seniors, the poverty rates were 47.1 percent for women and 33.6 percent for men. Single-parent families led by women had a poverty rate of 60.6 percent in 1990, a rate many times higher than the rates for married couples.

Table 16 shows the regional variations in poverty rates for these three high-risk groups in 1990. Because of small sample sizes, reliable information was not available for smaller provinces individually. Even in British Columbia, the samples were too small to use.

Among unattached women under 65, Ontario had the lowest poverty rate in 1990 and Quebec the highest. Among unattached elderly women, poverty rates in the Atlantic region, Ontario and the Prairies were more or less the same and well below the national average, while the rate in Quebec was well above average. The range of poverty rates for families led by single-parent mothers under 65 was small, but the rates in all regions were terrible.

TABLE 16

POVERTY RATES FOR WOMEN IN HIGH-RISK GROUPS, 1990

Region	Unattached Women Under 65	Unattached Women 65 and Older	Single-Parent Mothers Under 65
Atlantic	34.7%	39.4%	64.1%
Quebec	39.1%	68.9%	59.0%
Ontario	29.3%	40.2%	60.7%
Prairies	36.0%	39.4%	64.5%
British Columbia	samples too small		
Canada	34.1%	47.1%	60.6%

Aside from these three high-risk groups, there were no significant differences in the poverty rates for adult women and men. The vast majority of families are husband-wife families, and the poverty rates for women and men are identical in all these cases.

In the case of younger husband-wife families, one fact that deserves special mention is the role married women play in keeping their families out of poverty through their earnings. Although women earn less on average than men and face a number of barriers to equal participation in the paid labour force, their contribution is essential in keeping family poverty rates low.

To get a better idea of the importance of the earnings of married women, we asked Statistics Canada to take its 1990 income data on husband-wife families under age 65, subtract the earnings of the wives, and calculate hypothetical poverty rates for families with the wives' earnings removed. The results appear in Table 17.

The actual 1990 poverty rate for all husband-wife families under age 65 was 8.3 percent, and a total of 432,000 families were living in poverty. With the earnings of wives removed and

everything else remaining the same, the poverty rate would have jumped to 17.3 percent, and the number of families living in poverty would have more than doubled to 897,000.

TABLE 17 POVERTY RATES FOR FAMILIES WITH TWO SPOUSES UNDER AGE 65, <u>WITH AND WITHOUT THE EARNINGS OF WIVES, 1990</u>		
	Percentage of Families Who Were Poor in 1990	Percentage of Families Who Would Have Been Poor Without the Earnings of Wives
Newfoundland	11.2%	19.5%
Prince Edward Island	7.0%	17.0%
Nova Scotia	7.6%	16.3%
New Brunswick	8.4%	15.4%
Quebec	10.4%	19.9%
Ontario	6.0%	13.9%
Manitoba	11.5%	22.6%
Saskatchewan	12.1%	24.4%
Alberta	8.4%	18.8%
British Columbia	8.3%	16.9%
Canada	8.3%	17.3%

The pattern was more or less the same across the country. If wives had stayed out of the paid labour force in 1990, poverty rates and the number of poor families would have been roughly twice as high in all provinces.

SUMMARY AND CONCLUSION

From the vantage point of 1990, there was little real progress in the fight against poverty during the 'eighties. Poverty rates moved up and down, but most of them wound up at the end of the decade close to where they were at the beginning. The 1991 figures to be published late this year by Statistics Canada are almost certain to be higher overall than the 1990 figures because of the recent recession. The 1992 figures are unlikely to be much better.

There were no radical changes in the relative risks of poverty during the 'eighties. Groups of Canadians that had high poverty rates in 1980 still had high rates in 1990. Groups with low rates at the start of the decade had low rates at the end. Seniors were the only real exception, as poverty rates continued their long-term decline.

All Canadians face some risk of being poor, but the risks are relatively low for couples and two-parent families. The risks are relatively high for people living outside families, very high for older unattached women, and incredibly high for single-parent mothers and their children.

An estimated 3.8 million Canadians were poor in 1990, and many of them were living on incomes thousands of dollars below the poverty line. Incomes for poor single-parent mothers with children were more than \$8,000 below the poverty line on average, and poor couples with children did not fare much better.

Government-sponsored programs, including public pension programs, accounted for most of the incomes of poor seniors in 1990. Among poor people under 65, wages and salaries were often the most important source of income.

Although the purpose of this report is to describe poverty rather than to prescribe cures, a few words about fighting poverty are in order.

Over the years, the National Council of Welfare has published reports containing dozens of recommendations for reducing poverty in Canada. Three general observations emerge from those reports:

- * Poverty cannot be eradicated overnight. For any war on poverty to be truly effective, it must find long-term solutions to the chronic economic and social problems that lead to poverty in the first place.
- * Because there are many causes of poverty, there have to be many solutions. There is no single solution and certainly no simple solution.
- * Fighting poverty requires collective as well as individual efforts. The old adage about people pulling themselves up by their own bootstraps is not enough. Governments also have an important role to play.

The validity of these observations is apparent in efforts to reduce poverty among seniors. The fight began a generation ago during the 'sixties and has been a continuing success. Even after a quarter century, however, there is work that remains to be done.

A number of different programs provide income for seniors. There are federal government programs such as the old age security pension and guaranteed income supplement, employment-related programs such as the Canada and Quebec Pension Plans and occupational pension plans, and opportunities for personal savings such as registered retirement savings plans and individual savings and investment strategies.

In the final analysis, what really made the difference in poverty among seniors was the leadership of government. Without programs such as the guaranteed income supplement and the Canada and Quebec Pension Plans, poverty rates for seniors would have remained extraordinarily high.

The lessons of the last quarter century are encouraging and sobering at the same time. They suggest that the approaches used with success among seniors can be applied to other groups, such as children or single-parent families. They also remind us that it will take years of hard work and commitment to see new initiatives that are begun during the 'nineties bear full fruit.

FOOTNOTES

1. Economic Council of Canada, The New Face of Poverty: Income Security Needs of Canadian Families (Ottawa: Canada Communication Group - Publishing, 1992).
2. The methodology used to set the 1978 base low income cut-offs was the same. However, the survey data estimated average expenditures on food, shelter and clothing at 38.5 percent of total income, so it was assumed that low-income people would spend 58.5 percent or more of their incomes on necessities.
3. The number of poor single-parent fathers under 65 with children under 18 is not publishable because of the small sample size. However, by comparing the statistics for all single-parent families and single-parent families led by women, we can deduce that there were roughly 18,000 poor single-parent families led by men under 65 in 1990 and the poverty rate was roughly 27 percent.
4. Detailed depth of poverty statistics were published by Statistics Canada in May 1992 in a monograph entitled LICO/LIM Income Deficiency/Surplus Tables 1980-1990.
5. The income ranges were taken from Table 5 of Welfare Incomes 1990. They are made up of provincial welfare and other provincial benefits. Federal family allowances, child tax credits and sales tax credits are not included.
6. Quebec and Alberta have the federal government pay different rates for family allowances. Payments in Alberta vary with the age of the child, and payments in Quebec vary with the age of the child and the number of children in a family.
7. For a very strict definition of the term, see Ross, David P., and E. Richard Shillington, The Canadian Fact Book on Poverty - 1989 (Ottawa/Montreal: The Canadian Council on Social Development, 1989), p. 57. For a very loose definition, see Gunderson, Morley, and Leon Muszynski with Jennifer Keck, Women and Labour Market Poverty (Ottawa: Canadian Advisory Council on the Status of Women, 1990), pp. 57-61.
8. In 1990, Quebec provided a provincial family allowance and another benefit called the Allowance for Young Children. Manitoba had a program called the Child-Related Income Support Program (CRISP) and Saskatchewan had the Family Income Plan. For details of these programs, see Health and Welfare Canada, Inventory of Income Security Programs in Canada, July 1990.
9. The term "feminization of poverty" that was used in the last Poverty Profile published by the National Council of Welfare is not used in this report. On further reflection, we dropped the term as imprecise and unhelpful. See Battle, Ken, Poverty Myths, Misconceptions and Half-Truths (Ottawa: Caledon Institute of Social Policy, 1991).

APPENDIX

STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1991

Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$ 14,951	\$ 13,132	\$ 12,829	\$ 11,695	\$ 10,179
2	20,266	17,802	17,390	15,852	13,799
3	25,761	22,626	22,103	20,149	17,539
4	29,661	26,049	25,449	23,200	20,192
5	32,406	28,462	27,805	25,347	22,062
6	35,177	30,893	30,180	27,512	23,947
7+	37,833	33,230	32,463	29,593	25,757

**NATIONAL COUNCIL OF WELFARE ESTIMATES OF
STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1992**

Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$ 15,280	\$ 13,421	\$ 13,111	\$ 11,952	\$ 10,403
2	20,712	18,194	17,773	16,201	14,103
3	26,328	23,124	22,589	20,592	17,925
4	30,314	26,622	26,009	23,710	20,636
5	33,119	29,088	28,417	25,905	22,547
6	35,951	31,573	30,844	28,117	24,474
7+	38,665	33,961	33,177	30,244	26,324

(The estimates are based on inflation of 2.2 percent as forecast in the 1992 budget speech.)

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The National Council of Welfare was established by the Government Organization Act, 1969, as a citizens' advisory body to the Minister of National Health and Welfare. Its mandate is to advise the Minister on matters pertaining to welfare.

The Council consists of 21 members, drawn from across Canada and appointed by the Governor-in-Council. All are private citizens and serve in their personal capacities rather than as representatives of organizations or agencies. The membership of the Council has included past and present welfare recipients, public housing tenants and other low-income citizens, as well as lawyers, professors, social workers and others involved in voluntary service associations, private welfare agencies, and social work education.

Reports by the National Council of Welfare deal with a wide range of issues on poverty and social policy in Canada, including: income security programs, medicare, poverty lines and poverty statistics, the retirement income system, the aged, tax reform, the working poor, children in poverty, community economic development, women and poverty, employment policy, single-parent families, social services, nutrition, community organizing, child welfare, poor people's groups, legal aid/legal services, low-income consumers, poverty coverage in the press and welfare reform.

On peut se procurer des exemplaires en français de toutes les publications du Conseil national du bien-être social, en s'adressant au Conseil national du bien-être social, Pièce 1876, Immeuble Jeanne Mance, Ottawa K1A 0K9.

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POVERTY PROFILE

UPDATE FOR 1991

**National Council of Welfare
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Winter 1993

POVERTY IN CANADA IN 1991

The pages that follow contain selected poverty statistics for 1991 and update statistics published by the National Council of Welfare in Poverty Profile, 1980-1990.

Some of the statistics were previously published by Statistics Canada in the latest edition of Income Distributions by Size in Canada. Additional unpublished data for 1991 were prepared for the National Council of Welfare by Statistics Canada. We are grateful for the assistance provided by officials of the bureau, especially Kevin Bishop of the Income and Housing Surveys Section.

This update includes all of the tables from Poverty Profile, 1980-1990, plus several of the graphs in the report. The numbers and letters that identify the tables and graphs are the same as the ones used in the report. The final table, with detailed information on poverty among women and men over the age of 18, is new.

The measures of poverty used in all this material are Statistics Canada's low income cut-offs (1986 base) for the year in question. The cut-offs increase each year in line with the rate of inflation. The low income cut-offs for 1992 and the National Council of Welfare's estimates of the cut-offs for 1993 appear on the last page of this update.

The National Council of Welfare, like many other social policy groups, regards the low income cut-offs as poverty lines and uses the term poor and low-income interchangeably. Statistics Canada takes pains to avoid references to poverty. It says the cut-offs have no official status, and it does not promote their use as poverty lines.

Poverty rates compare the number of poor persons, families or unattached individuals in a particular category to all the persons, families or unattached individuals in the same category. For example, there were an estimated 272,000 poor families with children under 18 headed by a female single parent under age 65 in 1991. The estimated total number of families with children under 18 headed by a female single parent under 65 was 440,000. The poverty rate was 272,000 divided by 440,000 or 61.9 percent.

Additional information about poverty in Canada can be found in Income Distributions by Size in Canada and Poverty Profile, 1980-1990. The National Council of Welfare plans to publish its next Poverty Profile in early 1994.

TABLE 1

STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1991

Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$ 14,951	\$ 13,132	\$ 12,829	\$ 11,695	\$ 10,179
2	20,266	17,802	17,390	15,852	13,799
3	25,761	22,626	22,103	20,149	17,539
4	29,661	26,049	25,449	23,200	20,192
5	32,406	28,462	27,805	25,347	22,062
6	35,177	30,893	30,180	27,512	23,947
7+	37,833	33,230	32,463	29,593	25,757

TABLE 2
POVERTY TRENDS, ALL PERSONS

	Number of Persons Living in Poverty	Poverty Rate
1980	3,624,000	15.3%
1981	3,643,000	15.3%
1982	3,951,000	16.4%
1983	4,406,000	18.2%
1984	4,397,000	18.1%
1985	4,170,000	17.0%
1986	3,976,000	16.0%
1987	3,912,000	15.6%
1988	3,744,000	14.8%
1989	3,487,000	13.6%
1990	3,821,000	14.6%
1991	4,227,000	16.0%

TABLE 3
POVERTY TRENDS, CHILDREN UNDER 18

	Number of Children Under 18 Living in Poverty	Poverty Rate
1980	984,000	14.9%
1981	998,000	15.2%
1982	1,155,000	17.8%
1983	1,221,000	19.0%
1984	1,253,000	19.6%
1985	1,165,000	18.3%
1986	1,086,000	17.0%
1987	1,057,000	16.6%
1988	987,000	15.4%
1989	934,000	14.5%
1990	1,105,000	16.9%
1991	1,210,000	18.3%

Trends in Unemployment And Poverty Rates



Graph A

The unemployment rate is the average annual unemployment rate for people age 15 and older. The poverty rate is the rate for people ages 18 through 64, the age group where people are most likely to be in the paid labour force.

TABLE 4
POVERTY TRENDS, PEOPLE 65 AND OLDER

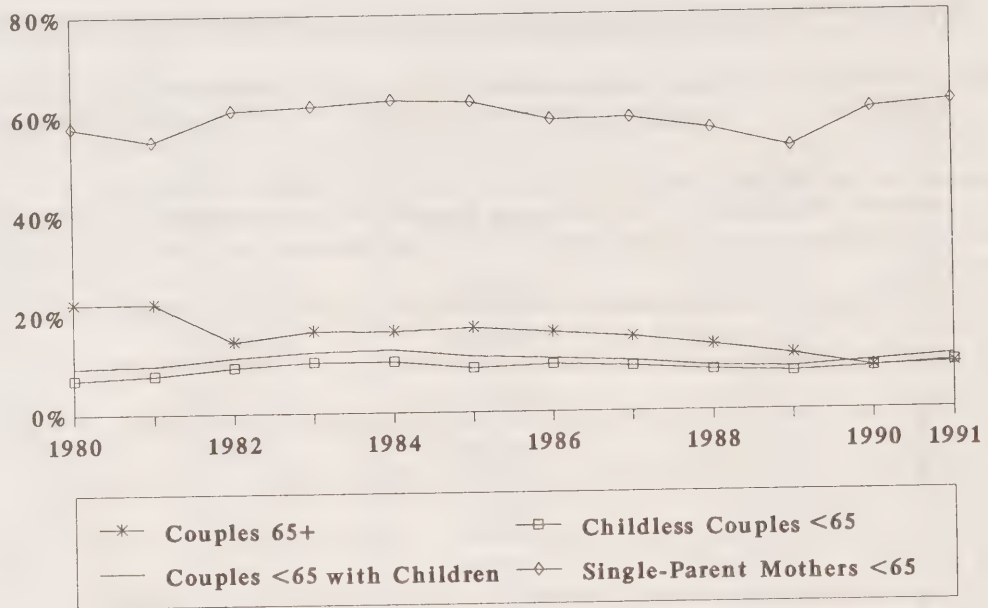
	Number of Seniors Living in Poverty	Poverty Rate
1980	731,000	33.6%
1981	733,000	33.0%
1982	648,000	28.5%
1983	719,000	30.9%
1984	669,000	27.9%
1985	669,000	27.0%
1986	637,000	24.9%
1987	627,000	23.8%
1988	634,000	23.4%
1989	599,000	21.4%
1990	554,000	19.3%
1991	590,000	20.0%

TABLE 5
POVERTY TRENDS, FAMILIES AND UNATTACHED INDIVIDUALS

	Families		Unattached Individuals	
	Number of Poor Families	Poverty Rate	Number of Poor Unattached	Poverty Rate
1980	830,000	13.2%	1,013,000	41.4%
1981	832,000	13.0%	1,010,000	40.3%
1982	905,000	14.0%	1,034,000	40.2%
1983	1,007,000	15.3%	1,183,000	44.9%
1984	1,032,000	15.6%	1,118,000	41.3%
1985	963,000	14.3%	1,136,000	40.8%
1986	924,000	13.6%	1,112,000	38.3%
1987	895,000	13.1%	1,137,000	37.5%
1988	851,000	12.2%	1,172,000	37.7%
1989	786,000	11.1%	1,100,000	34.4%
1990	874,000	12.1%	1,123,000	34.1%
1991	949,000	13.1%	1,258,000	36.5%

A family is defined as "a group of individuals sharing a common dwelling unit and related by blood, marriage or adoption." An unattached individual is a "person living alone or in a household where he/she is not related to other household members."

Poverty Rates for Families

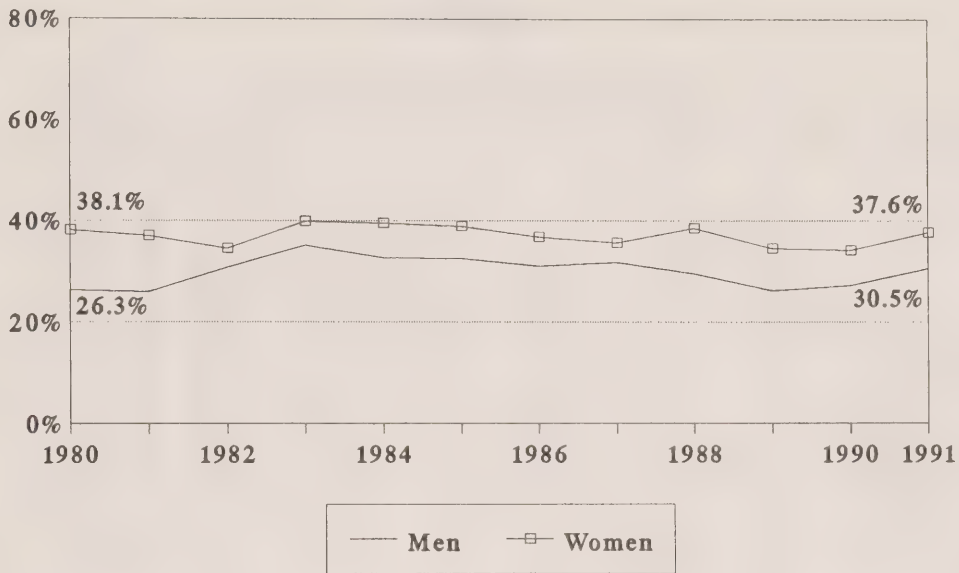


Graph B

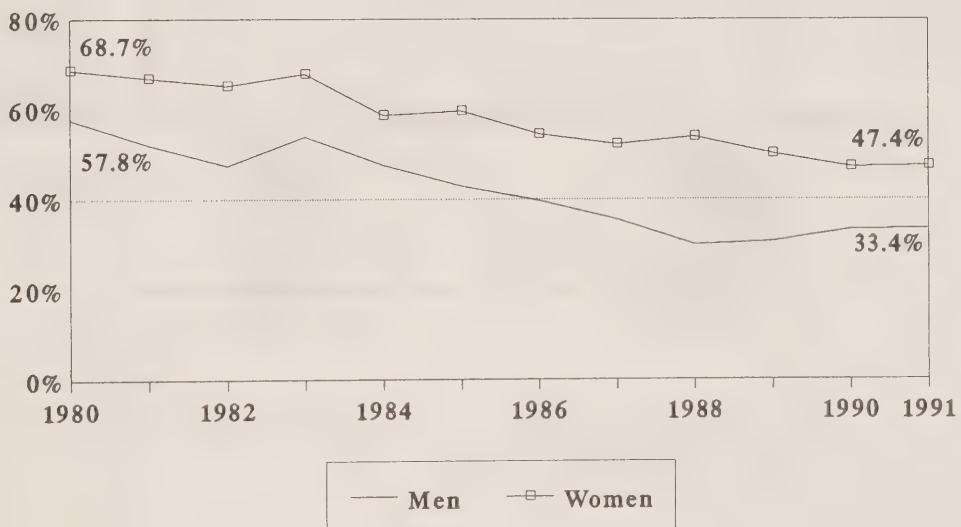
POVERTY RATES BY FAMILY TYPE

	1980	1990	1991
Couples 65 and Older	22.2%	8.5%	9.0%
Couples under 65 with Children under 18	9.4%	9.6%	10.7%
Childless Couples under 65	6.9%	8.3%	9.3%
Single-Parent Mothers under 65 with Children under 18	57.7%	60.6%	61.9%

Poverty Rates for Unattached People Under 65



Poverty Rates for Unattached People 65 and Older

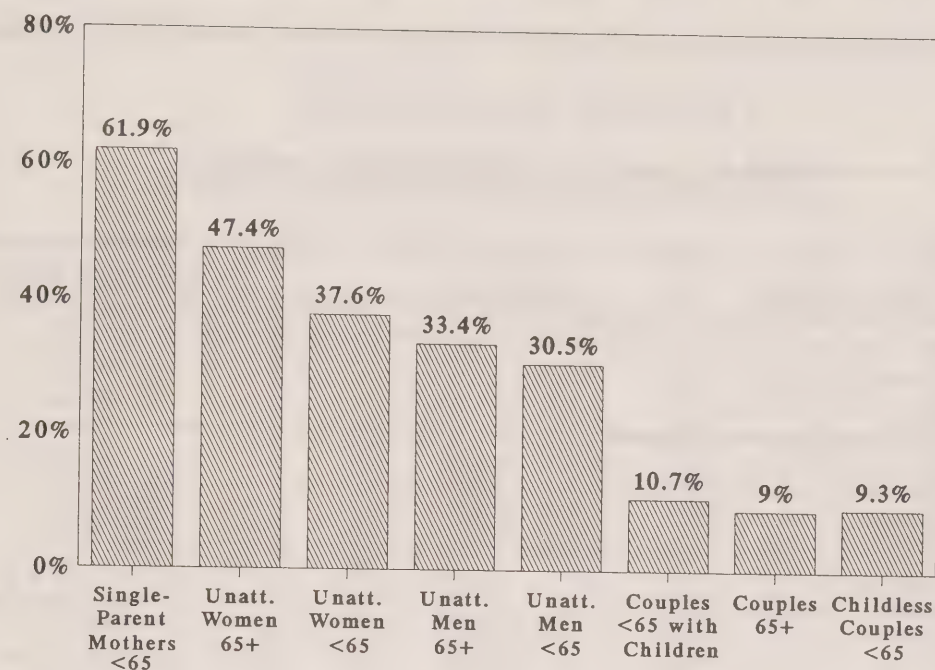


Graph C

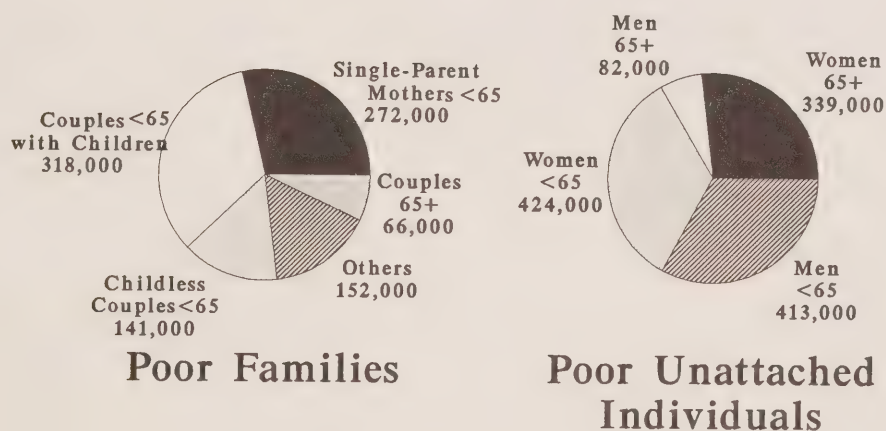
TABLE 6
POVERTY BY PROVINCE, 1991

	Families		Unattached Individuals		All Persons	
	Number of Poor Families	Poverty Rate	Number of Poor Unattached	Poverty Rate	Number of Poor Persons	Poverty Rate
Newfoundland	25,000	16.4%	14,000	41.3%	100,000	17.6%
Prince Edward Island	3,000	9.9%	6,000	40.5%	17,000	13.2%
Nova Scotia	31,000	12.9%	34,000	35.6%	134,000	15.5%
New Brunswick	25,000	12.3%	23,000	35.6%	100,000	14.3%
Quebec	300,000	15.9%	403,000	44.2%	1,296,000	19.2%
Ontario	303,000	11.2%	380,000	31.8%	1,327,000	13.5%
Manitoba	47,000	17.1%	54,000	38.2%	218,000	21.1%
Saskatchewan	35,000	13.4%	40,000	34.5%	161,000	17.1%
Alberta	87,000	13.1%	106,000	33.4%	396,000	15.9%
British Columbia	93,000	11.1%	197,000	35.7%	479,000	15.1%
Canada	949,000	13.1%	1,258,000	36.5%	4,227,000	16.0%

Poverty Rates by Family Type, 1991



Distribution of Poor Families And Unattached Individuals, 1991

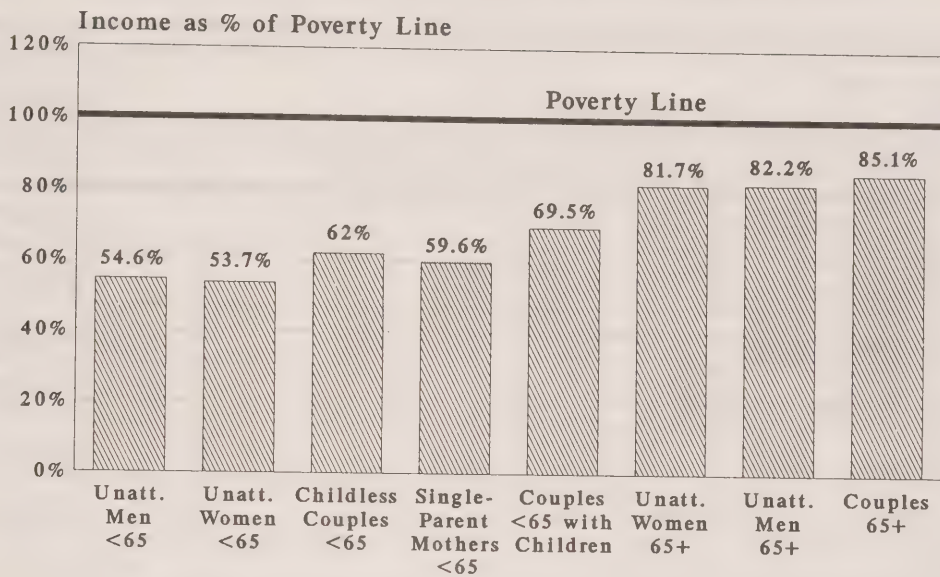


Graph N

TABLE 7
POVERTY RATES BY OCCUPATION, 1991

Occupational Group	Family Heads	Unattached Individuals
Managerial	4.4%	8.6%
Professional	5.2%	18.6%
Processing and Machining	6.1%	10.9%
Transport	8.7%	22.2%
Product Fabrication	7.2%	16.9%
Construction	10.6%	21.3%
Sales	10.4%	30.6%
Clerical	15.7%	20.7%
Farming, Fishing, Forestry	12.9%	36.6%
Services	20.2%	44.3%

Depth of Poverty By Family Type, 1991



Graph V

TABLE 8
AVERAGE DEPTH OF POVERTY IN DOLLARS, 1991

Family Type	Dollars Below Poverty Line
Single-Parent Mothers under 65 with Children under 18	\$ 9,051
Couples under 65 with Children under 18	\$ 7,977
Childless Couples under 65	\$ 6,617
Unattached Men under 65	\$ 6,216
Unattached Women under 65	\$ 6,382
Couples 65 and Older	\$ 2,880
Unattached Women 65 and Older	\$ 2,546
Unattached Men 65 and Older	\$ 2,475

Average depth of poverty in this table is the difference between the poverty line and the average income of families or unattached individuals who were living in poverty in 1991.

TABLE 9
TOTAL POVERTY GAP BY FAMILY TYPE, 1991

Family Type	Poverty Gap	Percentage of Total Gap
Couples under 65 with Children under 18	\$ 2,536,000,000	18.9%
Single-Parent Mothers under 65 with Children under 18	\$ 2,463,000,000	18.4%
Unattached Men under 65	\$ 2,570,000,000	19.2%
Unattached Women under 65	\$ 2,706,000,000	20.2%
Unattached Women 65 and Older	\$ 863,000,000	6.4%
Childless Couples under 65	\$ 935,000,000	7.0%
Couples 65 and Older	\$ 190,000,000	1.4%
Unattached Men 65 and Older	\$ 202,000,000	1.5%
Others	\$ 936,000,000	7.0%
Total Poverty Gap	\$ 13,402,000,000	100.0%

The total poverty gap of \$13.4 billion is the amount of money it would have taken in 1991 to bring all Canadians up to the poverty line.

TABLE 10

INCOMES OF THE POOR COMPARED TO AVERAGE INCOMES, 1991

Family Type	Average Income of Poor	Average Income of All	Income of Poor as Percentage of All
Unattached Men under 65	\$ 7,787	\$ 26,066	30%
Unattached Women under 65	\$ 7,753	\$ 22,040	35%
Childless Couples under 65	\$ 11,402	\$ 52,873	22%
Unattached Women 65 and Older	\$ 11,407	\$ 17,304	66%
Unattached Men 65 and Older	\$ 11,456	\$ 20,259	57%
Single-Parent Mothers under 65 with Children under 18	\$ 13,382	\$ 22,186	60%
Couples 65 and Older	\$ 16,549	\$ 35,553	47%
Couples under 65 with Children under 18	\$ 18,626	\$ 59,014	32%

TABLE 11
SOURCES OF INCOME FOR POOR SENIORS, 1991

Source of Income	Poor Couples 65 and Older		Poor Unattached 65 and Older	
	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient
Old Age Security Pension and Guaranteed Income Supplement	95%	\$ 11,432	99%	\$ 7,827
Canada and Quebec Pension Plans	69%	\$ 4,278	62%	\$ 2,980
Investment Income	samples too small		41%	\$ 1,663
Welfare or Provincial Supplements			30%	\$ 784
Occupational Pension Plans			16%	\$ 2,142
Income from All Sources	100%	\$ 16,549	100%	\$ 11,417

The category "welfare or provincial supplements" is probably made up mainly of provincial income supplements for low-income seniors. Not all provinces have supplements, and in provinces that have them, the amounts vary greatly from province to province.

TABLE 12

SOURCES OF INCOME FOR POOR FAMILIES AND INDIVIDUALS UNDER 65, 1991

Source of Income	Unattached Men		Unattached Women		Childless Couples		Couples with Children		Single-Parent Mothers	
	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient
Earnings	59%	\$ 6,138	59%	\$ 6,583	61%	\$ 6,900	84%	\$ 11,903	47%	\$ 6,994
Welfare	40%	\$ 5,123	34%	\$ 5,445	34%	\$ 7,094	30%	\$ 7,886	64%	\$ 9,061
Unemployment Insurance	20%	\$ 4,773	13%	\$ 3,814	21%	\$ 6,080	33%	\$ 5,649	16%	\$ 4,098
Investment Income	13%	\$ 1,475	15%	\$ 159	27%	\$ 3,266	23%	\$ 1,665	9%	\$ 1,396
Family Allowances	--	--	--	--	--	--	98%	\$ 1,089	98%	\$ 854
Child Tax Credit	--	--	--	--	--	--	97%	\$ 1,334	100%	\$ 1,144
Other*	6%	\$ 5,486	13%	\$ 4,554	22%	\$ 5,572	--	--	15%	\$ 3,564
Income from All Sources	100%	\$ 7,787	100%	\$ 7,753	100%	\$ 11,402	100%	\$ 18,626	100%	\$ 13,382

* The category "other" actually means Canada or Quebec Pension Plan benefits in the case of unattached men and women and childless couples under 65. The source was not specified in the case of single-parent mothers, but much of the money could be for child support.

TABLE 13
POOR FAMILIES AND UNATTACHED INDIVIDUALS UNDER 65
WITH EARNINGS OF 50 PERCENT OR MORE OF TOTAL INCOME, 1991

	Unattached Men	Unattached Women	Childless Couples	Couples with Children	Single-Parent Mothers
Total Number of Poor Families or Unattached People	365,000	390,000	128,000	301,000	268,000
Number with Earnings of 50 Percent or More of Total Income	175,000	195,000	54,000	180,000	67,000
Percentage with Earnings of 50 Percent or More of Total Income	48%	50%	42%	60%	25%
Average Annual Earnings	\$ 7,389	\$ 7,644	\$ 8,876	\$ 14,846	\$ 10,877
Average Total Income	\$ 8,302	\$ 8,100	\$ 11,247	\$ 19,492	\$ 14,649
Earnings as a Percentage of Total Income	89%	94%	79%	76%	74%

This table excludes people who reported that they were permanently unable to work.

TABLE 14
CHILDREN UNDER 18 LIVING IN POVERTY IN 1991, BY PROVINCE

	All Poor Children		Poor Children of Two-Parent Families		Poor Children of Single-Parent Mothers	
	Poverty Rate	Number of Children	Poverty Rate	Number of Children	Poverty Rate	Number of Children
Newfoundland	20.3%	33,000	16.3%	24,000	74.1%	8,000
Prince Edward Island	14.5%	5,000	8.7%	3,000	52.2%	2,000
Nova Scotia	20.2%	43,000	12.0%	21,000	66.8%	20,000
New Brunswick	18.1%	32,000	10.6 %	15,000	63.4%	13,000
Quebec	19.7%	322,000	14.2%	202,000	65.2%	107,000
Ontario	17.0%	408,000	8.8%	175,000	68.5%	209,000
Manitoba	26.9%	72,000	21.5%	50,000	66.0%	19,000
Saskatchewan	21.0%	56,000	15.5%	37,000	68.5%	17,000
Alberta	18.7%	129,000	13.2%	79,000	63.9%	46,000
British Columbia	14.5%	111,000	8.0%	52,000	58.9%	54,000
Canada	18.3%	1,210,000	11.7%	657,000	65.8%	496,000

TABLE 15

POVERTY RATES FOR MEN AND WOMEN 65 AND OLDER BY PROVINCE

	Men			Women		
	1980	1991	Percent Change	1980	1991	Percent Change
Newfoundland	27.6	11.6	-58%	36.9	21.1	-43%
Prince Edward Island	33.7	11.1	-67%	52.7	15.7	-70%
Nova Scotia	22.8	9.9	-57%	31.5	20.6	-35%
New Brunswick	22.1	9.1	-59%	34.2	18.3	-46%
Quebec	33.7	18.8	-44%	46.2	31.2	-32%
Ontario	24.0	11.2	-53%	34.3	23.0	-33%
Manitoba	23.8	13.9	-42%	41.2	27.0	-34%
Saskatchewan	28.1	6.2	-78%	49.0	15.0	-69%
Alberta	25.2	10.8	-57%	38.8	25.1	-35%
British Columbia	29.6	15.1	-49%	32.7	25.1	-23%
Canada	27.3	13.3	-51%	38.4	25.0	-35%

TABLE 16

POVERTY RATES FOR WOMEN IN HIGH-RISK GROUPS, 1991

Region	Unattached Women Under 65	Unattached Women 65 and Older	Single-Parent Mothers Under 65
Atlantic	39.7%	43.4%	64.3%
Quebec	46.3%	56.0%	61.7%
Ontario	29.9%	45.2%	64.0%
Prairies	37.6%	42.6%	60.1%
British Columbia	37.8%	sample too small	55.7%
Canada	37.6%	47.4%	61.9%

TABLE 17

**POVERTY RATES FOR FAMILIES WITH TWO SPOUSES UNDER AGE 65,
WITH AND WITHOUT THE EARNINGS OF WIVES, 1991**

	Percentage of Families Who Were Poor in 1991	Percentage of Families Who Would Have Been Poor Without the Earnings of Wives
Newfoundland	13.7%	23.8%
Prince Edward Island	6.1%	17.7%
Nova Scotia	9.4%	20.0%
New Brunswick	8.7%	16.7%
Quebec	12.0%	23.1%
Ontario	6.9%	16.4%
Manitoba	14.8%	26.7%
Saskatchewan	11.9%	25.0%
Alberta	9.7%	22.5%
British Columbia	7.4%	16.1%
Canada	9.3%	19.7%

TRENDS IN POVERTY AMONG WOMEN AND MEN 18 AND OLDER

	Adult Women		Adult Men		Ratio of Female to Male Poverty Rates
	Poverty Rate	Number of Poor	Poverty Rate	Number of Poor	
1980	18.0%	1,565,000	12.7%	1,058,000	1.42
1981	17.8%	1,567,000	12.6%	1,063,000	1.41
1982	18.1%	1,624,000	13.6%	1,160,000	1.33
1983	20.1%	1,836,000	15.4%	1,334,000	1.31
1984	19.7%	1,817,000	14.9%	1,304,000	1.32
1985	18.8%	1,754,000	14.0%	1,240,000	1.34
1986	17.7%	1,677,000	13.4%	1,197,000	1.32
1987	17.4%	1,673,000	12.9%	1,176,000	1.35
1988	17.1%	1,664,000	11.7%	1,081,000	1.46
1989	15.5%	1,534,000	10.7%	1,001,000	1.45
1990	16.2%	1,622,000	11.3%	1,079,000	1.43
1991	17.3%	1,767,000	12.7%	1,234,000	1.36

STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1992

Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$ 15,175	\$ 13,328	\$ 13,021	\$ 11,870	\$ 10,331
2	20,569	18,068	17,650	16,089	14,005
3	26,146	22,965	22,434	20,450	17,801
4	30,105	26,439	25,830	23,547	20,494
5	32,891	28,888	28,221	25,726	22,392
6	35,703	31,355	30,632	27,924	24,305
7+	38,399	33,727	32,949	30,036	26,142

**NATIONAL COUNCIL OF WELFARE ESTIMATES OF
STATISTICS CANADA'S LOW INCOME CUT-OFFS (1986 BASE) FOR 1993***

Family Size	Community Size				
	Cities of 500,000+	100,000-499,999	30,000-99,999	Less than 30,000	Rural Areas
1	\$ 15,509	\$ 13,621	\$ 13,307	\$ 12,131	\$ 10,558
2	21,022	18,465	18,038	16,443	14,313
3	26,721	23,470	22,928	20,900	18,193
4	30,767	27,021	26,398	24,065	20,945
5	33,615	29,524	28,842	26,292	22,885
6	36,488	32,045	31,306	28,538	24,840
7+	39,244	34,469	33,674	30,697	26,717

* based on inflation of 2.2 percent as forecast in the 1992 budget speech

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